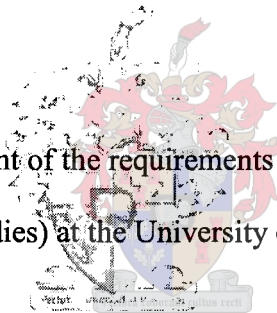


The Effects of Terrorism as a form of Socio-Political Instability on Tourism Governance: A Study of the July 2005 London Bombings

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(International Studies) at the University of Stellenbosch



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Declaration

I, the undersigned, hereby declare that the work contained in this research assignment is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature:

Date: 28 November 2007

Abstract

This thesis sets out to explore the impact of the July 2005 bombings in London on the relationship between various levels of government, the business community and organisations in the public sector, in their capacity as role players in tourism governance.

The particular focus is motivated by the observation that responses by these groups to a tourism crisis may lead to a form of 'joined-up' government. This means that the activities and interests of all parties involved are aligned by relationships characterized by high levels of cooperation and coordination. The 2001 crises in the tourism sector caused by Foot and Mouth Disease and 9/11 functioned as the initial drivers behind this process in the United Kingdom, and the impact of the more recent July bombings further contributed to this trend.

The further strengthening of these relationships might be the most effective way in dealing with the effects of tourism crises. Therefore the analysis of the impact of the July bombings on the quality and the nature of the relationships amongst the parties in tourism governance is important to increase the sector's preparedness and its capability to monitor and respond the impacts of possible future attacks. The ongoing and political nature of the terrorism threat, as well as the current trend of devolution of governments sets the overall background for the study.

This study is primarily qualitative in nature. Data was gathered from secondary literature, government documents, media reports and personal communication with prominent representatives from all parties covered in the study. Questionnaire responses and interviews were conducted during July and September 2007.

The network paradigm, used as an analytical framework in this study, provides the stepping stones to the conclusion that the July bombings had an asymmetrical effect on the horizontal and vertical networks between the bodies. The effects of the July bombings on the sub-national level of tourism governance were the greatest, with local and regional government agencies consolidating their powers. It was found that the tourism industry and organisations in the public sector demonstrate that stronger partnerships within and between them have a beneficial impact on their relationship with local and regional levels of government. The network paradigm was found to be a successful analytical tool for tourism studies with an interest in terrorism, political instability or another significant variable that may challenge the prosperity of tourism.

Opsomming

Hierdie tesis ondersoek die impak van die Julie 2005 bom aanvalle in Londen op verhoudinge tussen verskeie rolspelers in die bestuur van toerisme, te wete, die regering, die besigheidsgemeenskap asook organisasies in die openbare sektor.

Die spesifieke fokus van die studie word gemotiveer deur die waarneming dat reaksies deur bogenoemde partye op n toerisme krisis ly tot n 'joined up' vorm van regering. Dit beteken dat die aktiwiteite en belange van al die betrokke partye belyn word en dat daar hoër vlakke van koördinasie en samenwerking is. Die 2001 krisis in die toerisme sektor wat deur Bek en Klouseer asook 9/11 veroorsaak was, was die oorspronklike dryfvere agter 'n vernuwingsproses in die Verenigde Koningryk. Die impakte van die meer onlangse Julie bomaanvalle het verder bygedra tot die tendens.

Daar word aangevoer dat die verdere versterking van die verhoudings die mees effektiewe manier mag wees om met toerisme krisis om te gaan. Dus is 'n ontleding van die impak van die Julie bomaanvalle op die aard van die verhoudinge tussen die partye wat betrokke is by die toerismebeleid belangrik, veral om lig te werp op hoe dit die sektor affekteer in sy voorbereiding vir, en bevoegdheid om te reageer op moontlike toekomstige aanvalle. Die voortdurende bedreiging van terreuraanvalle, asook die huidige tendens van afwenteling van regeringsmag, dien as agtergrond vir die studie.

Die studie is kwalitatief van aard. Data is ingewin van sekondêre literatuur, owerheidsdokumentasie, mediaverslae asook persoonlike kommunikasie met verteenwoordigers van alle partye wat in die studie ontleed word. Vraelyste is uitgestuur en onderhoude is gevoer gedurende Julie en September van 2007.

Die netwerk paradigma is gebruik as 'n analitiese raamwerk en verkaf die teoretiese onderbou wat lei tot die gevolgtrekking dat die Julie bomaanvalle 'n asimmetriese effek op horisontale en vertikale netwerke tussen partye gehad het. Die impakte van die bomme was veral waarneembaar op sub-nasionale vlak van toerismebeleidsmaking. Dit het onder meer daartoe gelei dat plaatselike en streekorganisasies hul magte gekonsolideer het. Daar is ook bevind dat die besigheidsgemeenskap en organisasies in die opendare sektor wat sterker verhoudinge gesmee het, 'n voordelige uitwerking gehad het op hul verhouding met plaaslike en streeksregerings. Die netwerk paradigma word gesien as 'n betroubare en suksesvolle analitise raamwerk, waardeur die ontleding van die impakte van terreur, politieke onstabiliteit of 'n ander belangrike veranderlike wat 'n gevaar mag inhou vir die welvaart van die toerismebedryf, doeltreffend gedoen kan word.

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CHAPTER ONE

Introduction

1.1 Introduction and Problem Statement

The relationships between terrorism and tourism have been described in multiple ways, with some approaching terrorism as an external reality affecting the tourism sector, whereas others see the international and political character of tourism contributing in shaping the premises of terrorism (Blake et al 2005; Hall and O'Sullivan, 1996; Bianchi, 2007; Pizam and Mansfeld, 1996; Hall, 1996; Ioannides and Apostolopoulos, 1999; Kim and Prideaux, 2003; Lepp and Gibson, 2003; Pizam, 1999, Faulkner, 2001; Beirman, 2003; Santana, 2004; Henderson, 2004).

Political instability, and terrorism in particular are known to be complicated phenomena for the tourism industry because aside from the occurrence of the terrorist attack the probability of future attacks and the negative image of the destination deter risk-averse tourists. In the United Kingdom, after the two series of bomb incidents on the public transport system international tourist numbers dropped significantly and domestic tourism to the capital was reduced (TIER, 2005).

It has also been suggested that in some cases, such as the terrorist attacks on the Twin Towers on 11th September, a crisis appears to be a motor for a 'joined up' government. This can be defined as a type of governance whereby government agencies and other stakeholders share information and align their efforts more efficiently (Boyfield et al 2006). A sector in which activities are better aligned is considered to be more resilient to disasters (TIER, 2005: 15).

Despite promising forecasts of tourism as a global industry, the sector stays very sensitive to the impacts of disordering events. These events may be economic, social, political or ecological in nature (Bianchi, Personal Communication, 2006; Hall and O'Sullivan, 1996). Economic setbacks, the bankruptcy of a national airline industry, epidemics such as the Severe Acute Respiratory Syndrome (SARS), hurricanes and tsunamis are

exogenous and often unforeseeable factors that may affect the tourism sector negatively. Political instability is found to be very harmful to the tourism industry and can affect this sector in various ways. Political instability, broadly understood, has two components, namely, socio-political unrest and irregularities of the executive government (Alesina and Perotti, 1996). Splits in political parties, quarrels between coalition parties, the dismissal of a minister etc. are examples of political instability within the executive government, whereas riots, strikes, demonstrations and bomb attacks are examples of socio-political unrest. Both variants can occur in greater or lesser degree and can affect tourism more or less. Terrorism is a form of instability in the socio-political field. This study focuses on the impact of terrorism as a form of political instability on tourism governance and will explore how the cooperation and coordination between the various levels of government and the stakeholders from the public and private sector has evolved since the bombings. This with the intention to see whether the evolutions provide scope for a more resilient partnership between tourism governance and tourism industry for future disordering events.

Tourism literature is not short of research on the various effects that political instability may have on the tourism sector. Extensive projects have been set up to work out how and to what extent political instability, understood in both ways, affects tourism (Hall, 1996; Hall and O'Sullivan, 1996; Sönmez, 1998; Ioannides and Apostolopoulos, 1999; Seddighi, Nuttall & Theocharous, 2001; Blake and Sinclair, 2003). When political instability is accompanied with violence, so-called political violence, it commands more attention in scholarly writings.

Besides the real occurrence of political instability and political violence, the risk of occurrence as well as the perception of risk held by tourists and investors affect the tourism sector (Lepp and Gibson, 2003). The difference between risk and the perception of risk can be briefly explained as follows: Risk is a relatively measurable variable derived from a compilation of social, political and economic indicators in order to construct a profile of the country in terms of the risk of political instability. The perception of risk, on the other hand, is less rational and is rather connected with

unquantifiable factors such as image, media-portrayal, personal background and so forth (George, 2003: 578; Seddighi et al 2001). The fact that political instability is composed of all three factors (i.e. real occurrence, risk and perceptions of risk) makes it a complex phenomenon for the tourism industry to deal with.

Developing countries are proportionately more sensitive to political instability as these countries are found to display circumstances that easily degenerate into socio-political unrest and irregularities of the executive government. Corruption, poor institutions, an under-industrialised economy, the lack of a dedicated bureaucracy and poor citizens without the prospect of progress, to name only a few factors, increase the risk of political instability. However, the past years have shown that neither so-called 'developed countries' are spared of declining tourist numbers due to politically motivated events such as terrorist attacks (Blake and Sinclair, 2003). Therefore, overall knowledge and insight into the interplay between tourism and political instability are important for an understanding of current tourism development processes.

The July Bombings of 2005 of London are an interesting case to examine as they represent the first terrorism attack within the borders of and conducted by nationals from the United Kingdom. Unlike many other terrorism attacks in tourism destinations, it consists of two attacks, on the 7th of July and the 21st of July. Official security sources warn that more attacks are likely to follow and that the process of radicalisation of bombers is a rapid one. The July Bombings are therefore the first attacks of a new form of political instability in the UK that is of an ongoing nature. For this reason, they are extremely interesting to examine.

Because the conflict is of ongoing nature, it is appealing to relate the bombings to the ongoing evolution of tourism. The motivation to study the effects on the evolution of tourism governance is founded on the fact that it is this evolution of tourism governance in particular that will determine the future of the relation between tourism and terrorism in the UK. The study of the effects of the bombings on tourism governance allows one to identify the ongoing dynamics in tourism governance brought about by the bombings in the longer term and provides scope for making the entire tourism sector more capable to

deal with the immediate and longer term effects of future crises. Studies examining short-lived implications of the bombings would offer interesting insights on the short term, but could not provide the information needed to develop a more durable tourism sector. For the tourism industry together with the other governmental departments face an enduring challenge to understand terrorism and its effects on the industry in order to increase the sector's resilience for future attacks.

The reason underlying the disordering events in London may have or have not something to do with tourism, the condition of the political community is as in any tourism destination important for tourism governance. In that regard, Richter writes:

“Studies of the political culture, knowledge of opposition groups and information about political stability may be of critical importance in assessing the vulnerability or appropriateness of tourism development in a given region” (Richter, 1983: 323).

Richter argues moreover that tourism policy strongly differs with many other fields of policy making as it is a soft sector that escapes from numerous difficulties other sectors have to deal with (Richter, 1983: 318). She calls tourism policy a ‘chosen policy’ as it is often the choice of political elites whether or not to develop an international and domestic tourism sector. Indeed, not all nations have to decide to do so (Richter, 1983: 318), nor have local governments always a statutory responsibility for tourism. In the United Kingdom tourism is a devolved policy issue and English local governments have the choice to engage in tourism or not, except for London where tourism is a statutory responsibility for the Mayor.

Notwithstanding the initial choice to construct a tourism sector, Richter states that once there, the tourism sector does not exist in a political vacuum and is sensitive to the broader political environment wherein it exists.

The growth of international tourism may have contributed to the climate wherein terrorism thrives by creating discourses valuing Western consumerism, economic wherewithal, political freedom and the privilege of mobility of the tourist (Bianchi, Personal Communication, 2007). However, no case study has ever shown that terrorism, rooted in disturbances between social interest groups, is directly motivated by clashes

about tourism. In a way terrorism is thus somewhere in between related to but also exogenous to tourism. Several case studies yet have shown that terrorism creates a commotion in the political environment and affects the conditions in which the tourism policy making bodies and stakeholders involved act (Blake and Sinclair, 2003).

The serial character of the July Bombings in London and the evidence found by investigators afterwards that more attacks are likely to occur, implies for the UK tourism sector and its governors that they need to become more 'resilient'. Becoming resilient means that they need to prepare themselves better for crises, that it is necessary to have coordination systems in place during the crisis, as well as to minimise possible negative impact on the tourism sector afterwards.

The role of tourism governance and its success to become more resilient is expected to go hand in hand with the formation of a 'joined-up government' (Ritchie, 2004). A 'joined-up government' is founded on the statement that the more the efforts and activities of the various government agencies, as well as public and private sector are aligned and coordinated to cooperate, the more capable the sector will become in dealing with the challenge of future attacks. The formation of a joined-up government is thus determined by the intensity of the networks that arise through cooperation and coordination between the various parties on the same level, this is horizontal networks, as well as between the parties ranging from top to local level, which are embodied in vertical networks.

The crises that the UK tourism sector and its governance experienced in 2001, by the 9/11 attacks and the crisis caused by Foot and Mouth disease have already shown to affect the vertical and horizontal networks between the various levels of government and the public and private sector. Knowledge about the impact of the July Bombings on tourism governance is to date inexistent but mostly needed to feed the process of becoming more resilient with information and insights in the dynamics tourism governance and the sector go through due to terrorism.

1.2 Research Questions

This thesis sets out to explore the impacts of the July 2005 bombings on the relationship between tourism policy making bodies and stakeholders in the United Kingdom, with the goal of examining what sorts of governance responses developed in the aftermath of the bombings and to what effects. Subsidiary questions emerge that need further theoretical clarification and/or practical exploration in order to answer the primary research question.

Secondary research questions are:

- Which conceptualisation of terrorism is suitable for investigating the effects of terrorism on the horizontal and vertical networks between tourism government agencies, the tourism industry players and the civil society?
- How were the various tourism policy networks and policy making levels in the United Kingdom affected by the specific event?
- What type of tourism governance is likely to appear as a result of the July Bombing crisis, and what is the importance of this?
- How could the tourism sector be made more resilient to external shocks such as terrorism?

1.3 Conceptualisation

This 'thesis makes use of several key concepts that emerge from different fields of study. For this reason, it is of importance to gain a clear understanding of the way in which each concept is used and what phenomenon it refers to.

- *Tourism* comprises the activities of persons travelling to and staying in places outside their usual environment and is not related to the exercise of an activity remunerated from within the place visited' (WTO, 2006).

- *Tourism policy* refers to the generation of strategic plans and legislative sets of guidelines that are developed to direct tourism activities to the needs and characteristics of a particular tourism destination and the broader environment.

- *Tourism governance* encompasses the breadth of institutions and relationships involved in the process of governing (Hospitality, Leisure, Sport and Tourism Network, www.hlst.ltsn.ac.uk, 22/05/07). Whereas tourism governance earlier was solely identified with the state's government department current societal transformations have effected a dispersion of authority and power, together with the offset of responsibilities, in the direction of both the public and private sector (Bramwell & Yüksel, 2005; Burns, 2004; Dredge, 2006).

- *Stakeholders* refer to the non-state parties in the public and private sector that are actively involved in tourism governance.

- *Policy network* broadly refers to the organisation of state-interest group relations which influence tourism governance and tourism policy proportionately to the power and authority in the political system.

- '*Joined-up government*' stands for the type of governance wherein the activities of governmental agencies and stakeholders are aligned through cooperation and coordination through close horizontal policy networks between parties from the same level of governance as well as vertical policy networks between parties from different levels of governance.

- *Political Instability* refers to the occurrence of disordering events in the socio-political sphere and/or in the executive government of a state. Terrorism is a form of socio-political instability that stems from contest between social interest groups about core values and beliefs.

- *Terrorism*: Terrorism is defined in United Kingdom law by the Terrorism Act 2000 as:
'The threat or use of action designed to influence the government or to intimidate the public or a section of the public, and made for the purpose of advancing a political, religious or ideological cause, and involving serious violence against a person or

involving serious damage to property or endangering a person's life, other than that of the person committing the action, or creating a serious risk to the health or safety of the public or a section of the public, or designed seriously to interfere with or seriously to disrupt an electronic system' (Metropolitan Authority Service, 2007: 13).

1.4. Literature Review

Both tourism policy and political instability are complex phenomena which cover a wide spectrum of related actors, activities and frameworks. Consequently, the studies undertaken on the relation between the two are motivated by various objectives and conducted from different perspectives.

Terrorism as a form of political instability is discussed in the following section, providing much attention to the sources and its effects on the socio-political field in general.

For its effects on tourism, there is a greater number of studies on the effects on two components of the tourism sector, namely (i) tourism development and (ii) tourism demand. By contrast, literature on the effects on tourism governance is less readily available. The following literature study, therefore, shall first discuss the most prevalent literature on tourism development and tourism demand, followed by an overview of the literature on tourism governance and political instability.

1.4.1 Terrorism as a form of socio-political instability

Many studies that deal with political instability and tourism approach political instability as instability of the executive government. They come across findings that are not always applicable on all forms of political instability, for not all forms of political instability are instability of the executive government. Not all political instability is instability of the bodies that execute a political mandate or that are directly in charge for policy making. Terrorism is a form of political instability that stems from a political sphere that is broader than exclusively that of the government. Terrorism is in the first place a sort of socio-political instability within the political community and the social interest groups that construct it.

Terrorism has in the main an important international component, as terrorist attacks are often fed by international politics and the double standards that are used to measure international behaviour of super powers and developmental states (Bianchi, Personal Communication, 2007). In the case of the July Bombings 2005 in London, Bianchi argues:

“Whilst an immediate change in US or UK foreign policy would not bring ‘terrorism’ to an end, it is clear that the double standards (cf. unquestioned support for Israel and other undemocratic regimes in places such as Egypt and Pakistan, the treatment of detainees at Guantanamo Bay) it would perhaps begin to defuse much of the anger that is currently directed at the West” (Bianchi, Personal Communication, 2007).

There is also an important domestic character in terrorism, as bombers are often found to be nationals of the country they attack. In the case of the July Bombings, the bombers were born in the UK, brought up, and resident there (Intelligence and Security Committee, 2006). The process of radicalisation appears to happen dangerously fast and the Intelligence and Security Committee is concerned about the finding that young families, young men and women who live in the UK and work there can become persuaded to suicide attacks (Intelligence and Security Committee, 2006). Terrorism is therefore also a domestic reality that affects the dynamics within a political community, such as in the United Kingdom.

For that reason, it is in the case of terrorism as a form of instability within the political community more interesting to examine how the set up of policy making bodies, the stakeholders involved and the power relations between them are affected, than, solely to focus on the policy documents and on policy making as such. More than a study of policy outcomes, it is an exercise dedicated to the study of power within the field of policy making and the environment in which that happens. Hall has pointed out that the study of politics is inexorably the study of power (Hall, 1996: 13). He writes:

“Politics is essentially about power. The study of power arrangements is therefore vital in the analysis of the political impacts of tourism because power governs ‘the interplay of individuals, organisations, and agencies influencing, or trying to influence the direction of policy’” (Hall, 1994: 13).

The question that arises from the above is how one can understand terrorism as a form of socio-political instability.

Political instability is a difficult phenomenon to comprehend as it is very broad in its materializations and its effects on the tourism industry (Poirier, 1997: 679; Kim & Prideaux, 2003: 675). As a phenomenon, political instability may materialize itself as instability in the executive government and/or in the political community (Alesina and Perotti, 1994: 15). Terrorism is a form of the latter (Seddighi et al 2002; Pizam, 1999).

One could start the conceptualization of political instability by taking up a purely analytical perspective, with no reference to tourism or any other sector at all. Political instability could be purely regarded as having -before one can attribute anything else- basically one characteristic: it is the opposite of something else. For, essentially, political instability may be regarded as political in-stability, this is the negation of the affirmative 'stability'. Political instability then may be defined as that what political stability is not. If one should ascribe a set of conditions; requirements and/or attributes to political stability, the presence of 'political instability' consequently would involve that these are not fulfilled. In this reasoning, political instability may be essentially characterized by the absence and non-existence of stability. One could characterise this as a black-white approach in which a society is either political stable or either political unstable.

With regards to tourism research, it is found that it is important to include an in-depth knowledge of the sources of political instability in order to provide a sustainable framework for tourism policy in the affected region (Ioannides and Apostolopoulos, 1999: 51; Hall, 1994: 107). It is useful for tourism researchers to rely on the overall findings of political analysts to find out more about these situation-specific circumstances (Hall, 1994: 107). In the path of their findings, one might suggest some circumstances to be "sources" of political instability, or at least attribute them a great risk increasing power to generate political instability. These so-called sources of political instability thus only increase the probability of the occurrence of political instability, without ending up

consequently into a situation of political instability. They rather are factors that have the propensity to generate political instability, while still sensitive for the broader setup on which they act (Gurr and Lichbach, 1986).

There is no common agreement upon a valid definition of political instability, as it is identified with various phenomena (Poirier, 1997: 67). However, political instability is not in the least only to be equated with non-political stability, as the black-white approach does. Political instability is rather an umbrella-concept that covers a wide spectrum of factors acting on the eventual outcome in a specific situation. Being the outcome of the interplay between power-contesting factors, political instability itself can occur in more or less degree and will vary in its result depending on the broader circumstances in which it occurs. In that regard, Sanders likes to think of political instability as a continuous phenomenon that manifests itself more or less explicitly during a certain period in a certain political system (Sanders, 1981: xiv). Political instability is then not just equal to political in-stability as the counter part of political stability. He writes:

“It seems more useful analytically to regard stability and instability not as two branches of a dichotomy but as two ends of an indeterminate continuum. (...) A political system can only be characterised with any accuracy as being ‘more’ or ‘less’ stable, either in (cross sectional) comparison with other systems or in comparison with itself during a different time period” (Sanders, 1981 :5).

One of the most important factors presented in the literature is probably the fact that each political system is constructed on a consensus of values and beliefs amongst the various social interest groups (Sanders, 1981: 59; Eckstein, 1991: 178). Fundamental questions like national identification, distribution of political power, representation and political participation etc. are not short of relevance either (Narayan, 1999:2; Eckstein, 1991:178).

In case of a terrorism event, it is likely that one or more social interest groups try to bring about a *change in* the structure of a political system or a *challenge to* it (Sanders, 1981:

59). The difference between a *change in* and a *challenge to* is the degree of success to weigh on the political system and pursue that what initially is wanted by the action. A change means that what is wanted is achieved whereas a challenge is aimed at effecting a change, but may or may not achieve one and can only be aimed to utter one's opinion (Sanders, 1981: 61). Following Sanders, events may be directed towards one of the following diverse elements in a political system:

- *The political authorities or the government*: the key decision makers who determine and are seen to determine policy during any given time period.
- *The regime*: the legal and informal rules which govern the resolution of conflicts within the system.
- *The political community*: that aspect of a political system that consists of various groups of persons, bounded in social interest groups.

Terrorism as a form of socio-political unrest is found to be rooted in the struggle for power between various interest groups and their persistence to claim political participation to put their interests on the political agenda. In the case of the July Bombings, it is clear that the 'clash of civilisations', the contest for political hegemony and the behaviour that super power undertake to materialise their domination over others lies at the root of the problem. The United Kingdom and London in particular is very cosmopolitan, bringing a contest for power that primarily stems from an international scene into the borders of the country and manifests at the level of interest groups between UK nationals. For UK terrorism too, the theories about social interest groups within a nation's political community seems to be applicable.

Conclusively one can draw up the following understanding of terrorism as a form of socio-political instability: Terrorism can be understood as attempt to challenge or achieve changes by the members of the political system or the social interest groups they belong to, to one or more elements of the system itself, i.e. the authority, the regime or the political community; or to another political system or to one or more of its elements.

1.4.2 Studies of the impact of political instability on tourism development.

A significant study was conducted by Seddighi, Theocharous and Nuttall (2002) who sought to identify empirical dimensions of political instability from experiences with tourism development on the island of Cyprus. The sensitive nature of the tourism industry, ever-creasing competition, and the very narrow profit margins of tourism producers require a profound assessment, evaluation and analysis of the various interrelationships between political instability and the tourism industry (Seddighi et al 2002). Methodologically, they initially selected twenty-eight variables as 'candidate indicators' which were included in a questionnaire format that was distributed to travel agents in Cyprus. These variables included, *inter alia* civil war, terrorist attacks on tourism- related targets, terrorist attacks involving tourists as victims, bombings, war, riots, threat of war with another country, terrorist attacks or threats of attacks on non tourist targets, the imposition of martial law, (political) assassinations, mass arrests, guerrilla warfare, unsuccessful *coup d'états* and change in government. Four dimensions of political instability were identified from the responses, i.e. (i) internal war and turmoil (ii) governmental instability, (iii) infrequent terrorism and (iv) structural differentiation and disorder (Seddighi et al 2002).

Claiming the importance of a substantiated theoretical conceptualisation of political instability in relation to the tourism industry, Seddighi *et al.* (2002) nonetheless tend to hold on to an exclusively empirical analysis of the relation between these two phenomena.

However, their study remains of great significance for this thesis as it identifies 'infrequent terrorism' as a dimension of political instability, alongside three other dimensions. Generally, similar studies only name a few of these events and do not seek for overarching dimensions. As Seddighi *et al.* (2002) underline, these dimensions can be used in further empirical research. With the focus on one dimension of political instability, it lays a foundation for a theoretical conceptualisation of terrorism. Furthermore, this study demonstrates why the tourism governance component is vital in examining the effects of political instability on tourism:

The need for the design, development and implementation of policy measures for prevention and control, as well as strategies for counterbalancing the adverse and negative effects of incidents of political instability are necessary in order to ensure the viability and survival of the sensitive tourism industry (Seddighi et al 2002).

In a similar fashion, Pizam (1999) searches for overarching dimensions in the multitude of events that may damage the tourism sector. His study includes an analysis of the differential effects of the various events and he examines which prevention and recovery methods are most efficient and which parties should be involved (Pizam, 1999: 5).

Pizam sets out by describing the relationship between motives for a criminal/violent act and the intensity, extent and the duration of the effects. He finds that politically motivated violence has the most intense, widespread and lengthy effects on tourism demand. War and mass terrorism have the strongest and most devastating effects on tourism demand. Riots and political or civil unrest have a stronger effect on tourism than crimes. Ultimately, the effect can lead to the demise of the tourist destination (Pizam, 1999:10).

Secondly, Pizam (1999) analyses the relationship between the type of victim and the intensity, expanse and duration of effect. Attacks committed against tourists are found to have a stronger effect on tourist demand than those committed against local residents, political figures, famous people or business persons.

Also the location of the act has an impact on the intensity, expanse and duration of the effect. In the case of very severe violent acts, there seems to be no difference between acts conducted on or off the premises of tourism enterprises. In cases of lower severity, acts conducted on the premises of tourism business have a greater effect.

As far as parties responsible for prevention, are concerned, Pizam finds that in events caused by political/civil unrest a combination of the local community through its leaders and the local and national governments is the most efficient.

With respect to parties responsible for recovery, he asserted that the best combination consisted of an equal partnership between governments and tourism industry officials, followed by a partnership of governments and the local community.

These findings demonstrate how an event has dissimilar consequences for the various parties involved. Also for the prevention and recovery, a great differentiation between the various levels of government and other parties is needed (Pizam, 1999).

1.4.3 Studies of the impact of political instability on tourist demand, tourist behaviour, tourist motivation and the discourses that underpin them

Hall and O'Sullivan's (1996) study "*Tourism, political stability and violence*" primarily examines how the repercussions of political instability harm the attractiveness of a tourism destination and the further impact it has on tourist visitation and tourist demand. In identifying political instability, they assert it can take a number of different dimensions. They identify six dimensions of political instability through case studies of international tourism stretching in time from 1981 to 1991. These are international war, civil war, coups, terrorism, riots/political protest/social unrest and strikes. They contend that perceptions of political stability and safety are a prerequisite for tourist visitation and that tourism managers and planners need to become far more sophisticated in their approach to crisis management and be more aware of the political dimensions of tourism development (Hall and O'Sullivan, 1996: 117).

Worldwide, the tangible consequences have been mapped and taken down in reports and figures. One can easily find quantitative information on the economic losses due to the attacks, reflected in the cancellation of air tickets, accommodation, transport and restaurant visits, or the loss of the influx of foreign currencies feeding the national economy. The intangible consequences are more difficult to measure. Pritchard and Jaworski (2005) have elaborately discussed how tourist perceptions are affected by the portrayal of politically unstable destinations as they focus on the dynamics of the discourses tourism is related to.

Tourism itself is largely constituted by discourse and communication, i.e. the entire interplay of textual-linguistic and visual-pictorial and any other system of signification (Jaworski and Pritchard, 2005: 2). The tourist discourse has shaped identities of hosts,

tourists, destinations and tourist attractions and modes of transport. Global tourism too, is a constructed reality endowed with values of economic wherewithal, political freedom to travel (Bianchi, 2007: 65), the privilege and power to be mobile (Castells, 1996) and is even related to a kind of 'citizenship' (Urry, 2000). The meanings tourism is loaded with are thus never just neutral but wrap tourism in a complex interplay of assumptions, connotations and projections. Tourism itself has a share in creating discourses and Bianchi argues that the growth of terrorism and politically motivated violence as phenomena has been accelerated by the growth of international tourism (Bianchi, 2007: 67).

Leaving aside, for a moment, the complex and ideologically riven of exercise of defining terrorism, Hall and O'Sullivan (1996: 115) remind us, that politically motivated violence against tourist is a distinctly modern phenomenon which has grown in tandem with the internationalisation of tourism and, the growth of the global communications media. Paradoxically, the affluent are more shielded from violence than ever, while being simultaneously more aware of such events as a result of the 24 hours saturation media coverage which usually accompanies them (Bianchi, 2007: 67).

The importance of perceptions of the tourism industry is underlined as tourism by nature belongs to a producer and consumer culture. As in any consumer culture, attraction and perception go together. Since the tourist makes reservations and bookings before the actual travel, the tourism product is usually sold before the tourist arrives at the destination. The postponed judgement about the place and its characteristics is therefore preceded by the perception and images that the tourist has of the destination. This consequently means that the process of decision making about the final destination is predominantly guided by these perceptions and images. Travel is a voluntary act of exploring foreign locations and tourists have the freedom and power to avoid destinations associated with risk (Sönmez *et al.*, 1999: 1). Understanding the process of decision making and the importance of attractiveness and image, one might state that injections of fear caused by events emerging out of political instability are seriously damaging to the tourism industry (Pizam, 1999: 2).

1.4.4 The effect of terrorism and other crises on policy making and tourism governance.

Blake and Sinclair discuss the issues in policy making that have arisen after the September 11, 2001 attacks on the United States (Blake and Sinclair, 2003). They contend that the tourism industry and related organisations are generally very quick in lobbying the government to implement a range of policies to offset the downturn caused. Consequently, policy makers are faced with a difficult decision of what, if any measures to take (Blake and Sinclair, 2003: 814). The study primarily discusses the responses of the various levels of policy makers and finds that government subsidies were, before law enforcement activities, disaster relief and security measures, the most effective. The crisis's effect on the networks, the levels of coordination and cooperation between the policymakers and other stakeholders as such are not covered in the study.

Sönmez (1999) take a similar approach in researching the various ways to manage the effects of terrorism on tourism. Egypt's strategy was increased security and aggressive marketing and promotional efforts. Mexico targeted the business community with a promotion campaign for the new convention centres in Chiapas, where a terrorist attack occurred, and set up a tax brake programme for businesses. The case studies reveal that promotion or tax brakes alone are insufficient. Protection at different levels is needed, for crisis prevention as well as for crisis recovery. It is found that local government officials, local travel and tourism industry professionals and community leaders need to be involved in the formation of a 'task force' (Blake and Sinclair, 2003: 17). To achieve full recovery, this work group should be active in managing communications and public relations, marketing and promoting the destination, monitoring and assessing disaster-related information and raising funds and finances to support crisis management efforts (Blake and Sinclair, 1999: 17). This study emphasises the importance of making policymakers and the business community cognisant of the value of crisis prevention and strategies for recovery. Moreover, it pays attention to the political and ideological motives underlying terrorist attacks.

The literature dealing with crisis response to environmental crises also provides useful insights for this study. Prater and Wu (2002) set out to explore the linkages between

organisations and different levels of government in the disaster response to the Chi Chi earthquake in Taiwan, with special attention to the aspect of centralisation and decentralisation of governments (Prater and Wu, 2002: 50). Centralised systems generally have a great military role in crisis response, whereas local government tend to be quite weak (Anderson, 1999 in Prater and Wu, 2002: 50). McLuckie found that the private sector had an increased role in decentralised systems (McLuckie, 1975 in Prater and Wu, 2002: 50).

Eggers and Goldsmith describe aptly how governments are changing in response to current complicated problems, such as combating terrorism (Eggers and Goldsmith, 2004). They demonstrate how a centralised approach was neither feasible nor desirable in dealing with the effects of September 11. The short and long term response was a so-called 'joined-up government', creating a network wherein different levels of government agencies work closely together and start partnerships with private organisations (Eggers and Goldsmith, 2004: 9-15). Their study about 'governing by network' is very interesting for the present study since it describes the effects of crises on governments and the type of governance. The theories presented in this study above appeal to the intention of this study to look what the effect of the July Bombings on tourism governance is and whether it opens perspective for a stronger and more resilient tourism industry. As discussed above, a joined-up government and stronger levels of coordination and cooperation would benefit the tourism sector and its governance in becoming capable of preparing itself for a crisis, dealing with the immediate and with the long term effects.

1.5 Deficiencies within current relevant literature

Taking a closer look at the specific angle taken by authors to explore the interplay between political instability and tourism, two observations are in order:

Firstly, many authors focus extensively on the impact of political instability on tourism demand and tourism development, whereas the effects on tourism policy making bodies and the stakeholders involved are largely under explored (Blake, 2003; Seddighi, 2001; George, 2003). Possibly, the "invisible" and qualitative nature of policy and the responsible bodies lies partially at the root of this obscurity. The results on policy making

and the linkages between the government agencies and organisations that produce it are less quantifiable and less accessible for tourism researchers and tourism producers than the results on tourist demand and development for instance. A drop in the tourist arrivals and the withdrawal of investments after a disordering event are for the local tourism sector more obvious than the effects on strategic decisions and policy outcomes and how they are generated.

Without ignoring, nor trivialising research on tourism development and tourism demand, it is argued that an investigation of the tourism governance side and more particularly of the linkages between the government agencies and stakeholders involved is imperative if one takes the course of the tourism sector seriously. The institutional and infrastructural framework determines the environment wherein tourism development and tourism demand can thrive. Destinations sensitive to terrorism attacks and those that have to deal with environmental, social and economic crises depend greatly on the institutional framework of government bodies and organisations for crisis management and emergency planning. In times of crisis, existing relationships will be tested and new relationships are likely to emerge. In other words, the institutional network is likely to be affected in one way or another, tending to a more pivotal role for the state or a more decentralised governance system wherein more stakeholders are incorporated. In the existing literature, this topic is still obscure and needs more clarification (Prater and Wu, 2002).

A second observation is that political instability is generally identified with its effects whereas little mention is generally made of the sources or underlying motivation of the offenders. The variety of socio-political disordering events such as riots, strikes, kidnappings, terrorism, etc are identified as political instability as such, without taking the conditions into consideration that generate them. Discussion of the sources of political instability is yet generally absent in tourism literature (Hall, 1994; Seddighi et al 2002). This observation raises the question whether something can be learned from analysing the premises terrorism from which stems. Writers who restrict themselves exclusively to the effects seem to downplay the broader context in which tourism policy occurs. Therefore, in the attempt to recognise the correlations between the participants of

the policy making processes, it seems an interesting exercise to refer to the dynamics of the political system hit by a terrorist attack and how tourism fits in this environment.

The reason why political instability is seldom traced back to its sources and context is possibly related to the third observation. Throughout the scholarly literature on political instability (Blake and Sinclair, 2003; Pizam, 1999, Ritchie, 2004) one usually finds a very thin conceptualization of political instability underlying the discussions (Poirier, 1997; Bianchi, 2007; Pforr, 2006). As mentioned before, political instability is indeed often identified with its effects, rather than making reference to the dynamics in the broader socio-political environment. Much of the literature dealing with political instability has adopted an empirical and largely a-theoretical stance, leaving aside a conceptual framework that bears the case-specific circumstances.

However one has to ask oneself what 'political instability' essentially is. Instability of what? And what does 'political' precisely mean? Mention is rarely made of the political system, the political culture or the political community of a destination country that suffers from political instability.

The discussion of the condition of the political community and the broader political environment is a far from straightforward topic to cover when examining a tourism destination. On the one hand, one has to acknowledge that deep political analyses do not always belong in tourism literature as the latter is far more practical than the former. Moreover, consideration of political instability stems from a very different field and the two do not share a common vocabulary nor a common perspective to deal with the phenomena.

On the other hand, a thin concept is not always sufficient. Political instability is more than political violence and it is more complex than executive government instability is or socio-political unrest as such. In particular, when dealing with one of the most extreme variants, i.e. terrorism, an insightful conceptualisation that acknowledges the various dimensions of the phenomenon is needed in the analysis of specific events. The conjecture is that the more profound the understanding of terrorism, the more scope the

tourism sector has to rise more efficiently to terrorism. It is therefore the aim of this thesis to apply the understanding of terrorism as a challenge to or change in the political system effected by social interest groups throughout the discussion of the events of July 2005. So, it will try to respond to the usual thin conceptualisation of political instability by providing a thick and profound conceptualisation of terrorism.

1.6 Analytical Framework

Tourism governance encompasses the breadth of institutions and relationships involved in the process of governing (Hospitality, Leisure, Sport and Tourism Network, www.hlst.ltsn.ac.uk). A component thereof is policy making, which is understood as the development of strategic and legislative frameworks. Whereas tourism governance earlier was solely identified with the state's government department have current societal transformations effected a dispersion of authority and power, together with the offset of responsibilities, in the direction of both the public and private sector (Yüksel et al 2005; Burns, 2004; Dredge, 2006).

This commonly discussed shift from 'government' towards 'governance' is often described by means of the newest paradigm in public policy studies, namely 'policy network' (Weed, 2003; Bramwell and Yüksel, 2005; Burns, 2004, Hall, 1999; Pforr, 2006).

Tourism policy too recently shared in the conceptual innovation of 'policy network.' It is not surprising that, given the multifaceted character of the tourism industry, much of the most recent literature actively applies this model. This is because 'policy network' seeks to open up for analysis multiple and overlapping connections between the various components within the tourism industry and takes the changing conditions at which these relationships are disposed at into consideration (Dredge, 2006; Weed, 2003; Hall, 1999; Pforr, 2006).

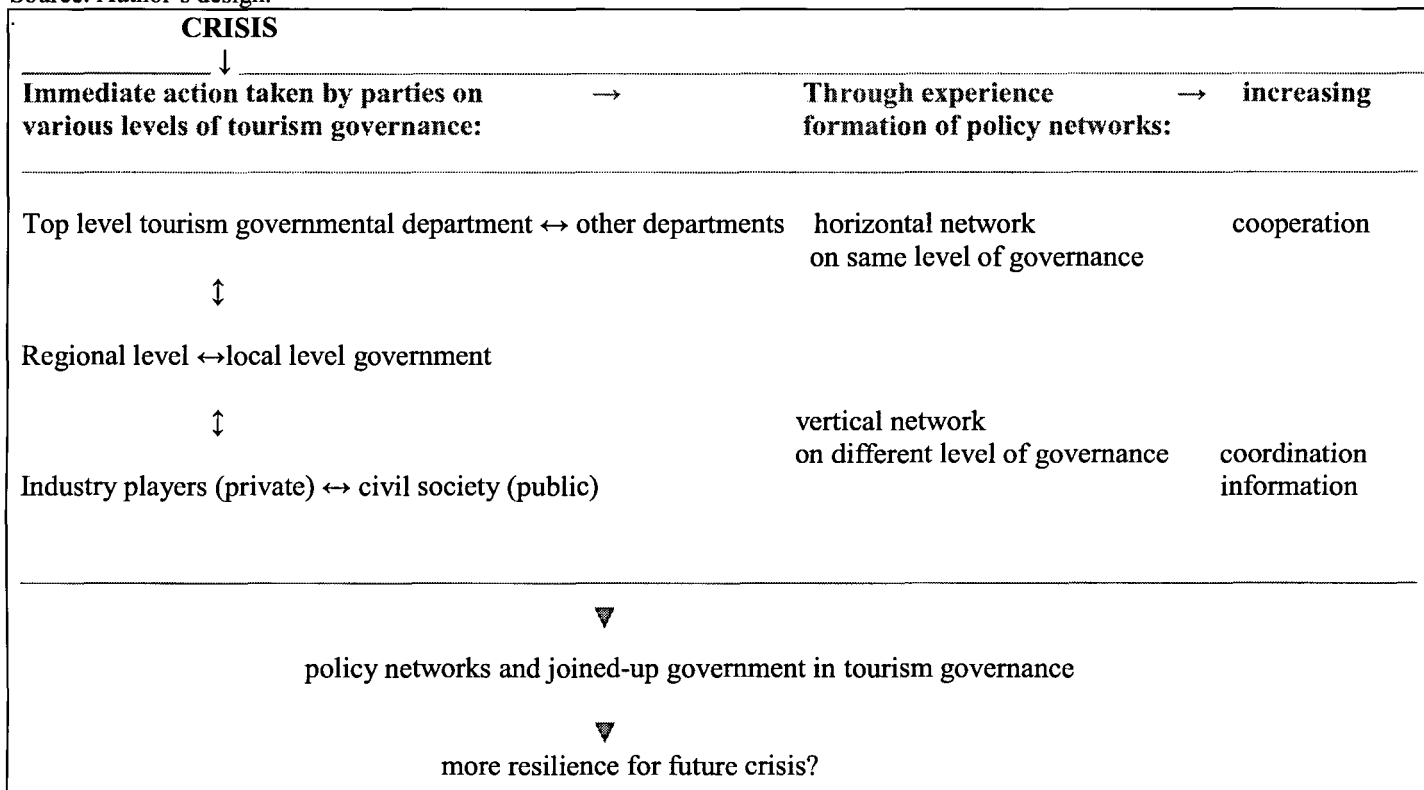
The quandary of the 'blurring boundaries' between the state and the public and private realm seems to put the question how tourism policy processes are affected by political

instability in a new perspective. It suggests that policy networks may emerge from crisis situations, as will be discussed later. More than it is a well planned and well-considered action within a framework of risk management to prevent the tourism sector from being affected (Ritchie, 2004), this reform often stems from experiments of emergency and recovery periods wherein the involvement of agencies and other stakeholders was shown to be crucial (Prater and Wu, 2002).

The United Kingdom has known several major tourism crises over the last decade and the Foot and Mouth Disease, 9/11 and the July Bombings have had the greatest impact on the tourism sector and its governance. Chapter three will provide a discussion of the various parties covered in this study in the light of the theories of the 'network paradigm'. Chapter four and five will analyse the impact of the three above mentioned crises in this analytical framework, thereby making use of the insights of the 'network paradigm.' The diagram represents the analytical framework applied on the study of tourism crises:

Diagram 1.1 Analytical framework applied to the study of tourism crises.

Source: Author's design.



1.7 Methodology

This thesis is exploratory, qualitative and conceptual with certain empirical aspects. It consists out of a theoretical part and a more practical study, focussing on the July Bombings 2005. In accordance to best practise in researching one particular event (Yin, 2003) the theoretical part articulates the conceptual understanding and abstract connections between the key phenomena. It contributes as a 'blue print' for the July Bombings study and makes clear what questions to study, what data are relevant, what data to collect and how to analyse the results (Yin, 2003).

Conducting a practical study made the examination of a complex topic feasible, thereby focussing on one particular event limited in time and space.

The qualitative nature of the topic appeals primarily to qualitative material. Data was gathered from secondary literature, government documents and media reports. Interviews were conducted with four prominent persons talking in the capacity of representative of government agencies and the business community. Three persons preferred to respond in a written format.

The selection for the interviewees and the respondents was based on their experience with the tourism sector and its governance processes. They are presented in Table 1.2. This quartet of interviewees and the three respondents provides a voice from each party covered in this thesis. Each participant has a significant knowledge of the dynamics in his/her branch of the tourism sector. The four interviews that were conducted took each about 50-60 minutes, were recorded and transcribed. The transcriptions were sent back to the interviewees for approval before using for data analysis in order to ensure data were correctly taken down. The participation of the respondents of the questionnaire, covering the same questions as the interviews, occurred by email or by post.

Table 1.2 Overview of interviewees and respondents.

Source: Author's design

Interviewee	Position and Organisation	Date of Personal Communication
Philip Davies	Member of Parliament (MP) and Member of the Select Committee for Tourism of the House of Commons.	10 th July 2007
Bernard Donoghue	Chairman the Tourism Industry Emergency Group (TIER), set up by the Department for Culture, Media and Sport.	10 th August
Kurt Janson	Director of governmental relations for Tourism Alliance, one of the most influential lobby organisations with the government.	9 th August 2007
Mary Tebje	Member of Tourism Network, an organisation that is involved in regional and local policy making and represents the small and medium sized tourism businesses. Furthermore, Ms Tebje is involved in East Tour London and researches linkages between civil society and tourism.	26 th July 2007
Respondent	Position and Organisation	Date of Personal Communication
Craig Beaumont	Public Affairs Manager of Visit London	8th August 2007
Lord Fearn	Member of the All Part Committee for Tourism of the House of Lords	24th July 2007
Raoul Bianchi	Senior Research Fellow and Lecturer at the London Metropolitan University and Member of the International Institute for Culture, Tourism and Development in London.	13th September 2007

1.8 Delimitations and limitations of the study.

Delimitations

The study of political instability and tourism contains many aspects and may be conducted from various perspectives. This study specifies to one particular form of political instability, namely terrorism.

The effects of terrorism are multiple and the scope of this study is the effects of terrorism on the relationship between the tourism policy making bodies and the stakeholders involved. By examining the relationships, one can form a good picture of the levels of cooperation and coordination between the parties and it provides valuable insights in the capability of the tourism sector to deal with future crises. The policy making bodies refer to the United Kingdom Department for Culture, Media and Sport and regional and local government agencies. Other possible relevant government departments, such as the Department for Industry, which are germane for the generation of a favourable tourism environment are not covered. However, it would provide interesting information for this thesis, they were left out in this study as tourism is not a high priority in these departments and they are currently not actively involved in tourism governance. The focus therefore lies on parties who actively and intentionally are involved in tourism governance.

Stakeholders are understood as the business community, the voluntary sector and the civil society. To a small extent, and resulting from the need to describe the crisis fully, the effect on tourism demand and tourists' perceptions are also covered.

The London July 2005 bombings are used as a case study, as motivated above. This means that the study is limited in space and time, focusing on the parties within the greater London area and describing the events of 2005 until the present.

Limitations

The investigation of crises is complex as multiple events occur concurrently. In practice it is difficult to separate the effect of the terrorist event from those that stem from contemporaneous events (Eugenio-Martin et al 2005). Member of Parliament Philip Davies points out that also in the case of the July Bombings it is a delicate exercise not to over or under-estimate the impact of the bombings (Davies, Personal Communication, 2007). The data are carefully processed and interpreted to describe the effect as accurate as possible, but other variables possibly may have interfered.

The results of this study are inferred from qualitative analysis based on one case study and one should be careful in making generalisations for other destinations.

The timeframe in which interviews were taken was spread over three months, July and September 2007. During this time it was difficult to reach candidates to interview as the parliamentary activities only commenced in October and most of the members of parliament left London and have gone back to their constituency. For the people of the government agencies within London these three months were very busy as it was high tourist season. Many of the persons who were willing to participate but were hindered by work duties, contributed by providing first hand documents and internal reports.

1.9 Thesis overview

The first chapter explored the relevant tourism literature and gives an introduction to the main topics of this thesis, stating which issues in the study of terrorism and tourism have thus far remained under-explored. From this overview, the motivations for this study have been established. Also the methodology of how the study was conducted, have been explained and limitations and delimitations of the scope of the study are justified.

The second chapter presents the tourism governance parties covered in this study. Whilst doing so, it will become clear what role each party has within tourism governance and what the nature of the relations is between the various parties. Attention is also paid to the current tendencies in tourism governance and they are discussed within the 'network paradigm.'

The third chapter sets out the historical evolution of the UK tourism sector as well as its current characteristics. It presents an overview of the tourism effects of the outbreak of the Foot and Mouth Disease in 2001 and the 9/11 crisis. The legacy of those crises has influenced the impact of the July Bombings on tourism governance significantly. The 2001 crises started the process of reorganisation in tourism governance and the July Bombings came on a moment when there was already a high awareness of how important efficient systems of coordination and cooperation are between the tourism sector and its governance. These effects of the 2001 events on the tourism sector's revenue were indeed so severe that they raised the overall awareness of the importance of the tourism industry.

As a result, new institutions were established within the government agencies as well as within the tourism sector itself. The crises of 2005 therefore played a significant role in the evolution of the institutions responsible for tourism governance and, therefore, are important for this study too. Furthermore, the lessons learnt through experiences of the 2001 crises, have a great impact on how the various parties within the tourism industry and the government agencies responded to the July 2005 crisis.

From the insights on the effects of terrorism on tourism governance and the particularities of the UK tourism sector and its history, the fourth chapter assesses the effect of the July Bombings on the relationships between the policy making bodies and the stakeholders involved. Similarly to the way how scholar literature describes the 2001 crises, this chapter discusses how the July Bombings have influenced the relationships and networks of cooperation and coordination between the government agencies and the participants from the public and private sector.

The last chapter gives an overview of the key findings that came up for the primary and secondary research questions, allowing room for theoretical and practical crosscutting between the findings of the various chapters. The research questions will be evaluated in the light of the insights and knowledge gained from the study by making use of theoretical findings from the relevant literature on terrorism and tourism. All this will lead to overall conclusions and the identification of scope for further research.

Chapter 2

Analytical framework: the institutional network for tourism governance

2.1 Introduction

The increasing number of disasters and crises which affect the tourism industry, ranging from natural to human-influenced disasters, have brought up a need for research on disaster phenomena in the tourism industry (Miller & Ritchie, 2003: 150; Faulkner, 2001). From the previous chapter it has become clear that an important aspect thereof is to assess the impacts of such events on the industry, specific government agencies and organisations from the civil society (Miller & Ritchie, 2003: 150; Faulkner, 2001).

In order to identify the effects of tourism crises, one needs to be familiar with the tourism agents and the stakeholders involved, as well as the dynamics that shape the relations between them. According to Hall (2003: 1), tourism is situated in a wide set of social, cultural, economic, political and environmental agents. This chapter endeavours to discuss the organisation of tourism governance and to provide the context in which tourism policy by the various tourism agents is generated. Given the complex organisational composition of tourism, this is a difficult task to undertake. The following discussion presents the tourism policy bodies and the stakeholders involved and their powers within the industry. The same policy bodies and stakeholders will feature in the next chapters and the insights gain from this discussion will then be used to assess the impacts of the July bombings on the tourism policy-making bodies and the stakeholders involved.

The 'network paradigm' will provide the conceptual framework for the discussion as it is able to bear the complexity of the tourism sector, without degenerating the variety of stakeholders, nor downplaying the role of the state.

A second motivation to choose this conceptual framework is that the network paradigm aptly describes the condition many political governance systems find themselves in. Using the network paradigm as framework provides a good opportunity to present this

trend of devolution and 'joined up' government. The realisation of 'joined-up government' was initiated by Mr. Blair's office and is high on Mr. Brown's political agenda. However this term is relatively specific to the governance processes in the United Kingdom, it also resonates the current trends in other countries and is thus applicable on wider studies of tourism governance.

Lastly, the network paradigm is an appropriate framework in the study of tourism crises as it is suggested that networking between the various tourism agents and stakeholders is most tactical in dealing with the effects of a severe tourism crisis (Eggers & Goldsmith, 2004: 15). The above finding is not part of the prime focus of this study and only contribute to assess the most effective crisis management to deal with the effects of crises. Nonetheless, it is still useful to choose a framework that provides a link between the two major topics of this study, i.e. terrorism on the one hand and tourism governance on the other. The following exploration of the network paradigm is therefore also relevant for the chapters to come.

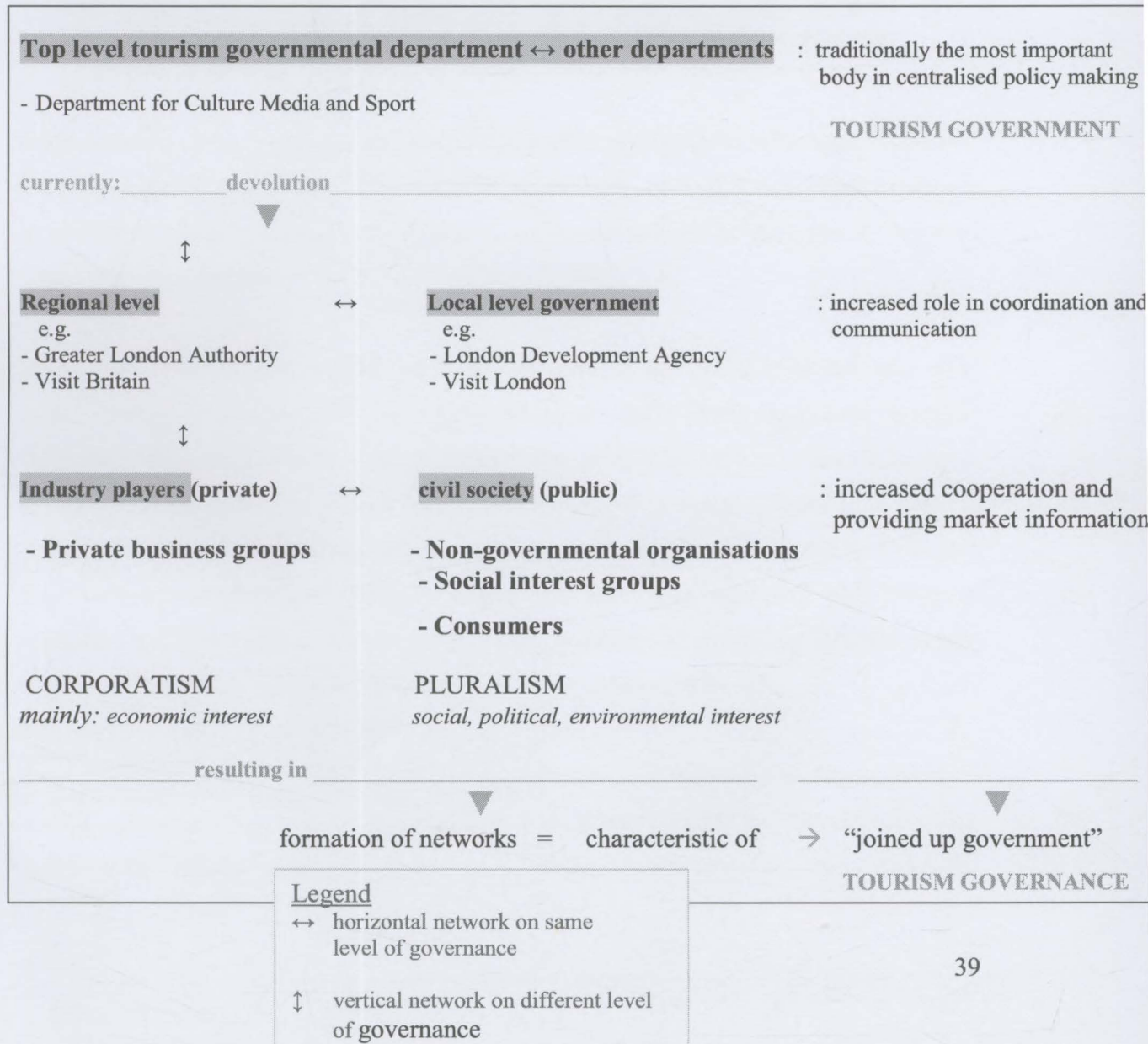
2.2 An overview of the organisation of tourism governance

Attempts to systematise the tourism industry have commonly constructed a three-tier framework in which the tourism sector is composed of (i) tourism governance, (ii) tourism production or tourism supply and (iii) tourism consumption or tourism demand. It is not surprising that, given the complex nature of the tourism sector as a whole, tourism governance as such is difficult to anatomise. Moreover, the other two components, namely tourism production and tourism consumption, inevitably intervene as they have powerful channels to push their interests. Tourism governance is commonly understood as the sum of ordering and regulatory bodies on local, regional, national and international level (Cornelissen, 2005). More and more, the concept of tourism governance gets an 'all inclusive' understanding in academic and industry publications. It then encompasses the breath of institutions and relationships involved in the process of governing and also includes the public and private sector as regulatory bodies because of their power and participation in tourism governing (Hospitality, Leisure, Sport and

Tourism Network, www.hlst.ltsn.ac.uk). Therefore, an understanding of tourism governance, in terms of its all-inclusive concept, can perhaps best be achieved by identifying the main actors that are involved, as well as their interrelationships. The network paradigm is particularly useful as analytical framework and enables one to construct a comprehensive understanding of the dynamics of tourism governance. The genealogy of the network paradigm starts with the changing role of the state within tourism governance and discusses then, once the framework is explained, the influence of public and private stakeholders on policy-making bodies. The following figure sets out the key argument of this chapter:

Figure 2.1 Network Paradigm used to describe the trends in tourism governance

Source: Author's design



2.2.1 *The network paradigm: from government towards governance due to the influence of socio-economic and political eras*

The state is commonly recognised as the most important body of governance. For decades, the national government with the administrative department in charge of tourism was the most significant source of policy-making and coordination. However, in order to fully understand its involvement in tourism governance, it is important to conceive of ‘the state’ as a broader concept than ‘the government’ or the ‘bureaucracy’ (Hall, 1996: 22). As Hall (1996: 22) points out:

“...the concept of the state is broader than that of ‘government’ or ‘bureaucracy’, for many tourism researchers the government *is* the state. This has meant that the analysis of state involvement in tourism has been somewhat restricted and has failed to appreciate the advantages of a broader category in the study of tourism policy and tourism development”.

Besides the central government and the administrative departments, a broader concept of the state involves, according to Hall (1996), local and regional levels of government, government business enterprises, regulatory and assistance authorities and a range of semi-state organisations.

Shaw and Williams (2004) have conducted a study on the position of the state with regard to tourism governance and observed some shifts throughout four decades. “National states have played a major role in the growth of tourism, especially in its internationalization in the second half of the twentieth century” (Shaw & Williams, 2004: 46). “Within an overall growth paradigm, there were shifts in this role over time in the developed countries: the emphasis shifted from removing barriers in 1945-1955, to promotion in 1955-1970, to greater involvement with infrastructure and regional policy 1970-1985” (Shaw & Williams, 2004: 46).

Presently, the state as body of governance is challenged. It is found that the structure of tourism governance as well as its nature has been changing over the last decades. The coordination, collaboration and partnerships of the former national state have been

transformed in order to adapt to the conditions of the international environment (Hall, 1999: 274). As a consequence, the notions of governance have adopted new organisational structures. The network paradigm is a useful concept to describe this shift.

Essentially, the network paradigm states that the state's position has shifted from a centralised and often top-down organisation towards more participative mechanisms in which the intra-sectoral and inter-sectoral collaboration on various policy levels, as well as the participation of stakeholders from the private and public realm are crucial for policy-making. The traditional public policy school and practise, inspired by the image of government 'steering' society from above, consequently have to redraw the organisational structure by adding more branches in order to involve other stakeholders (Hazlehurst, 2001: 3). The genealogy of the network concept is aptly described by Dredge (2006: 271).

"Networks have emerged as powerful organisational perspectives in efforts to understand the relational conceptions of policy making. Derived from the rich body of literature emanating from critical discussions of Pluralist and Corporatist theories of policy formulation, network theory recognises that policy making occurs in open, flexible and fluid systems that span public and private sectors, different branches of the same government and different levels of government in federal systems".

Corporatism and Pluralism are commonly acknowledged as the engines behind the emergence of the network paradigm. In fact, they represent the political and economic rationale from the early 1930's up to the 1970's that, on their turn, were rooted in socio-economic phenomena that have influenced the development of tourism governance (Hall, 1999: 274; Dredge, 2006; Hazlehurst, 2001).

Pluralism, to begin with, stems from an increasing social and political heterogeneity that brought along a greater variety of interests. During the last decades, the government's capacity to integrate the values and interests of the citizens was challenged (Hazlehurst, 2001: 2; Peters, 1996: 47). For this reason, the organisation of policy-making had to be transformed in order to include the interests of the citizens and remain legitimate towards the public. Besides the variety of interests that had to be included in the policy-making

processes, the nature of these interests also changed, as they concerned 'less bargainable' issues such as race, gender participation, equality, redistribution of wealth and the sustainability of the environment (Hazlehurst, 2001; Peters, 1996). These post-materialist values are usually related to specific interest groups that are quite radical in the positions they represent and that command involvement in the relevant policy processes (Hazlehurst, 2001; Peters, 1996).

Lastly, Hazlehurst draws attention to the limits of the state as individual policy maker (Hazlehurst, 2001: 2; Kooiman, 1993: 4). The variety and the nature of the interests often stem from complex and diversified problems that require relevant information, knowledge and specific expertise. Isolated policy-making processes therefore need to be made accessible for interest groups who have substantial knowledge and relevant expertise (Hazlehurst, 2001: 2; Kooiman, 1993: 4).

Almost contrary to the legacy of interest groups, the network paradigm is based more on corporatist and neo-conservative economic insights (Dredge, 2006). Against the variety of crowding interests, values and the search for expertise involved in the pluralism paradigm, the corporatist model relies completely on a rationale of self-interest and rationality (Hall, 1999: 274). Instead of organising tourism governance for the democratic public good, some governments, like the United Kingdom under Margaret Thatcher, have emphasised efficiency, invest returns, the role of the market, and the relation with the industry by means of partnerships with private stakeholders (Hall, 1999: 274). By doing so, the state becomes more entrepreneurial in its tourism role and has to breed marketing and promotion functions throughout partnerships within the private sector, perhaps at the expense of planning and policy roles (Hall, 1999: 275).

The 'network' is thus an 'organisational concept' (Dredge, 2006: 269) that seeks to connect public policies with their strategic and institutionalised context. It starts from the intuition that a balance should exist between a pluralistic approach and a corporatist approach towards the relevant tourism agents and stakeholders. Severe Corporatism needs to acknowledge that, despite earlier theories about the end of the state, à la

Fukuyama (1992), markets cannot replace governments and their responsibilities (Burns, 2004: 30). As Burns adds that “the rise of political sub-groups with a single-issue focus [...] poses threats to orderly planning unless their views are carefully analyzed for the contribution they can make to sustainable futures” (Burns, 2004: 30). On the other hand, extreme pluralism risks to degenerate into a Hobbesian war of all against all in order to enforce specific interests, without organised governance. Therefore, pluralism needs to be mitigated by the rationality and efficiency of corporatism.

The roots of both pluralist and corporatist eras give rise to a broad-branched variety of stakeholders involved in policy processes. The ‘network approach’ connects public, semi-public and private actors participating in a political field (Kickert et al, 1997: 1). Dredge (2006: 269-271) puts it as follows:

“Networks operate within and around tourism’s formal organisations, between industry actors, different government agencies and civil society to provide an important forum for the development and communication of interests and strategies. [...] Framing an analysis of tourism planning and policy processes around concepts of networks opens up opportunities for enhancing understanding of how policy emerges from a complex web of interactions between a diversity of public and private sector actors and agencies”.

Evidently, not every stakeholder works as closely together with policy-making bodies as others. The network paradigm thus has to allow differentiation between the various stakeholders and their assets for policy making. Therefore, the literature commonly describes policy networks in a continuum (Marsh and Rhodes, 1992; Weed, 2003: 129). On the one end, there are open ‘issue networks’ where a large number of ad-hoc and self-selecting actors exchange information and resources about common interests (Weed, 2001: 129; Hazlehurst, 2001: 6). On the other end, there are policy communities that have a highly restricted membership that is supposed to be stable (Weed, 2001: 129; Hazlehurst, 2001: 6). Between these two ends, various other forms of policy entities exist, each displaying evolving characteristics; from issue-zones up to the characteristics of a policy community. Policy network is then used as the generic term that encompasses all these types (Weed, 2001:129).

The network paradigm represents this conceptual innovation. As in the case of other models, it displays strengths and weaknesses in representing the complex reality of tourism governance. The following weaknesses have been identified:

- In its policy context, the network approach places much emphasis on the dependency of government upon individuals, groups and organisations (Hazlehurst, 2001:6). However, the network approach leaves room for a government that may neglect or compromise the interests of those who are not involved in the network, the so-called 'silent majority' (Hazlehurst, 2001:6).
- Networks may lead to non-transparent policy processes as informal interaction and complex consultation mechanisms (Hazlehurst, 2001:6).
- Network-structured policy processes may lack democratic legitimacy. The blurring boundaries between the public servants and private interest groups may make it difficult for policy makers to put the public good first (Hazlehurst, 2001: 6).

However, the network approach also has various advantages:

- The openness of the network allows participation of a variety of stakeholders, which may increase social acceptance of a policy and serves the implementation thereof (Hazlehurst, 2001: 6).
- The variety of stakeholders incorporates additional knowledge and information in the policy-making process that remain excluded in top-down (Hazlehurst, 2001: 6, Fayos-Solà, 1996: 407).
- The network has a democratic connotation as participation by a range of stakeholders incorporates a variety of interests and values in the policy-making processes (Hazlehurst, 2001: 6).
- The downwards involvement of other state stakeholders acknowledges, besides the liaisons across sectors, also those between state levels (Weed, 2003: 260). The network approach enables local and regional bodies to interfere with tourism

policy. The state's substructures are in a good position to detect and react on local and regional needs and allow communities to partake in the development of the tourism policy for their region. Strengthened by the knowledge and expertise of these public and private stakeholders, the state's problem solving capacity and its effectiveness increase (Hazlehurst, 2001: 6).

- The network acknowledges the state as the central body while allowing other stakeholders to be involved.
- Considering the complexity of the tourism industry, the network approach is a useful tool, as it enables one to analyse the crosscutting linkages between stakeholders on sectoral and subsectoral level.

The concept of the network paradigm is constructed to identify various bodies and their relationships. The gained insights of the network paradigm will provide the background for the following section that discusses the national players. These are: the state, the Non Governmental Organisations and civil society, the private producers and the public, in the capacity of consumers.

2.2.2 *The state*

It is not the state's involvement, but the kind of involvement taken up by the state that is the prominent question of policy research (Richter and Richter, 1985):

“The crucial question is not whether government plays a role in tourism development, but what kind of role is played. It is therefore important to give serious consideration to the types of policy choices faced by planners, and to their potential consequences.”

Comparative tourism research has found that the role of the state varies along the development of the destination country (UNEP, 2007). However, where the overall interest seems to be the ‘sustainability of tourism’, the emphasis of developed countries is put on issues of rejuvenation, visitor management and re-branding, whereas in developing countries issues of poverty alleviation, economic growth and the funding of conservation are more prominent (UNEP, 2007: 23). Therefore, a primary function of the

state is to create and foster an environment that enables or influences the above policy concerns. According to Shaw and Williams, the state is a pivotal player in the generation, regulation and implementation of national tourism governance. In terms of regulation, to begin with, the state provides the legal framework within which tourism policy is pursued. As Elliot points out: “National and state governments, as the central policy-making bodies, have the power to make and enforce decisions which are binding upon their members” (Elliot, 1997: 54). The legislative impact of the state on tourism is enormous seeing that tourism will be affected by tourism-centric legislation provided by the department in charge of tourism, as well as by legislative measures taken by other departments. According to Hall (1996: 23):

“[...] it must be recognized even though government only occasionally enacts legislation primarily aimed at tourism development, the government will also set through its more general policy decisions the general economic and regulatory parameters within which the tourism sector operates.”

Besides the role of legislator, the state forms the nexus between various domestic sectors and their cooperating or competing objectives. The participation of state actors in various policy networks makes it possible to align tourism policy and tourism development with the broader environment in which tourism activities occur (Crozier, 1964: 107). Furthermore, one might accept, following Hall (1996), other state roles such as the improvement of payments, the fostering of regional development, the diversification of the national economy, an increase in public revenue, the improvement of income levels, consumer protection, social tourism, environmental protection, and the creation of new employment (Hall, 1996: 29-30). In terms of regulation, Cornelissen (2005) names the state’s exercise at ports of entry and exit, the granting of travel visas and the various channels of state diplomacy tied to this and the government’s management of domestic transport sectors. To conclude with, the state is also important as it balances the public interest against the market interest in the local and regional partnerships and collaborations. For a network-structured tourism policy this role becomes increasingly important. The collaborations may easily lead to the dominance of the private investors

by argument that they take the risk with project investments and thus want to have a great share in the policy formulation.

Current challenges on the state's political authority have upgraded the sub-national level as a new locus of power to accomplish the above responsibilities (Cornelissen, 2005: 36). The so-called 'devolution' trend of the dispersion of power from central government to state, regional, local or urban authorities has resulted in increasing sub-governmental involvement in policy processes (Bramwell & Yüksel, 2005: 863). In the United Kingdom, for example, tourism is a devolved policy issue without the presence of one single 'state' authority for tourism. In one way, the coordination of tourism thus occurs vertically between different levels of government (Hall, 1999: 277).

Besides vertical coordination, network policy also promotes horizontal tourism coordination between different government agencies, which may have responsibilities at the same level of governance (Hall, 1999: 277). The changed conditions of tourism coordination thus involve an intra-state reorganisation amongst the state bodies. The plans to launch a 'cross-Whitehall ministerial working group' demonstrate this trend of horizontal coordination between various departments. This will be further discussed in chapter 4 and 5.

Whereas discussions on tourism governance used to focus on central governments and administrative departments, the new generation of policy researchers tends to abandon the centralised 'state' approach. The awareness that tourism governance needs to create links with other stakeholders has cultivated the new paradigm of 'networking' in which the former 'state' is split up and takes part in various policy entities. The specific arrangements between the political entities are different in each destination and depend on the particular political traditions, theories of the state, ideological thoughts and organisational culture of the country (Weed, 2003: 260).

The internal changes in the state's structure coincide with coalitions that reach far into the private and public sphere. The following sections discuss the extra-state actors that,

although driven by distinct motivations, converge in the interest to participate in tourism policy, ranging from policy formulation up to tourism implementation.

2.2.3 *Private interest groups*

Greenwood (1993: 335) states that the public policy field of tourism has been profoundly influenced by the behaviour of business interest groups. He gives the following characterization of private interest groups: “they tend to be domain based in economic fields of operation, operating with a degree of permanence, where membership is restricted to organizations such as firms and pressure is exerted through developing permanent relations with government, often in ‘behind closed doors’ environments” (Greenwood, 1993: 336). These groups used to be defined as intermediary associations between the private and the public domain. However, today’s literature puts much emphasis on the extent to which interest groups can ‘cross the boundary’ – the aforementioned ‘blurring boundaries – and become part of the state. Considering their impact, one may even call them ‘governance mechanisms’ (Greenwood, 1993: 335). Private interest groups are crucial components of tourism governance due to their resources. Firstly, private interest groups possess knowledge resources, such as expert information, which is valuable for governmental policy-making. More importantly, private interest groups possess crucial economic power, on which governments are often dependent to achieve its goals (Greenwood, 1993: 337).

Vice versa, private interest groups are attracted by government resources, namely the regulatory and legislative competence. According to Greenwood (1993: 337), one of the most important routes to ensure involvement in government tourism policy is to maintain permanent relations with civil servants in the relevant government department, with the ultimate ambition of being part of a ‘policy community’.

Ironically, private interest groups have become increasingly powerful, as their own self-regulating governance has gained importance. The self-regulating powers between the

multiple interest groups exemplify spontaneous governance. Greenwood (1993: 337) states:

“There can be benefit for both parties where government can parcel out its authority to the industry to self-regulate. For governments, these arrangements enable offloading of responsibilities, which can be attractive in both an ideological and pragmatic sense. Amongst the latter would be included savings of time and money; the embracement of a spirit of cooperation and self-discipline, thus avoiding conflict; flexibility, [...] and they necessitate a greater involvement by experts in policy implementation. For private interests, self-regulation can prevent the exercise of wider ranging government authority; involve a greater degree of control over their own affairs; and increase their own power to bargain with governments.”

The greatest part of private interest groups takes part in the production process of tourism and is thus merely involved with tourism development processes. There is no ultimate source of authority nor a formal policy involved, as tourism production is very diverse and spans over various sectors. As Greenwood (1993: 336) argues:

“It should be borne in mind that tourism is more a cross-industrial activity comprising a number of sectors than an industry in itself, and there are consequently difficulties for it speaking with one voice [...] In some cases, there are entirely conflicting interests within tourism, such as between domestic, international inbound and outbound markets.”

The power of private production interests has been commonly addressed in tourism literature and many scholars argue that the tourism industry should be defined by referring to tourism production as the most powerful component, perhaps often thereby downplaying the influences of tourism demand and tourism governance. Tourism, approached from the supply side, is then essentially the collection of production activities – including tangible goods such as souvenirs or accommodation and intangible goods such as services – and the agents, firms and institutions responsible for this. As creators of tourism facilities, producers have the power to determine the variety of offers of which tourists can make use. The assumption goes that the desires and needs of tourists are but responses to what is initially produced and supplied, which makes the suppliers of facilities the actual generators of tourism. Producers substantially influence tourist

behaviour as they determine the physical facilities for tourism and, moreover, as they influence the consumption of the products too (Cornelissen, 2005: 16). The most widely accepted definition of tourism is focussed on the supply side as it states that tourism “comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited” (WTO, 2006).

2.2.4 NGO's, civil society and the voluntary sector

Shaw and Williams (2004: 46) identify a third shift that locates power from the state structure into the civil society, particularly through the interference of NGO's. Greenwood (1993) has called this area the “voluntary sector”, including non-profit-making people, organisations or private entities. Civil society can be regarded as the realm of organised social life that is a countervailing mechanism to state power while simultaneously engaging the state (Hope, 1998: 545). Non-governmental organisations are a part of civil society, besides other groups such as interest groups and social movements. Concerning tourism policy, the civil society has a dichotomous role: on the one hand, it will criticise the current policy for its shortcomings while, on the other hand, it supports tourism policy, particularly at local level, to realise beneficial objectives in the region.

The contribution of this non-profit policy-making participants gains increasing attention in scholarly literature (Hall, 1996; Greenwood, 1993; Dredge, 2006). This is a result of today's strive for a holistic tourism policy. For, together with the awareness of the need for networking with financial stakeholders, the need to also develop a more integrated and sustainable tourism planning processes in the broader social-political environment has emerged. The “equity” of social capital is especially important in that regard. It refers to the maintenance and enhancement of social capital, in terms of social networks and relationships that exist in places, through appropriate policies and programmes of social equity and political participation (Hall, 1999: 279). Hall highlights:

“Such an approach has considerable implications for the structure of tourism planning and policy-making. To fulfil the sustainable goal of equity, decision making processes will need to be more inclusive of the full range of values, opinions and interests that surround tourism developments and tourism’s overall contribution to development and provide a clearer space for public argument and debate” (Hall, 1999: 280).

In order to meet this requirement, collaborative arrangements and partnerships between the public and private sector have been established. These collaborative projects link needs and interests for further investment in and development of the tourism industry. These projects in the local environment are believed to create more equal social and political capital and thus a more sustainable tourism sector.

However, the inclusion of the voluntary sector by means of representatives who take part of a policy community is not always easy. The relation between state actors and interest groups can become blurred by too strong demands. Moreover, the possibility exists that various representatives begin to identify more with each other and form an ‘elite’ instead of representing the interest group. Furthermore, sometimes it is not totally clear whether it is best to meet the narrow ‘public’ interest or to leave the outcomes to contribute to a broader but impersonal sustainability (Hall, 1999: 285).

2.2.5 *Consumers*

One could argue that consumers also take part in the policy-making process by influencing the trends in tourism development and the constitution of tourism facilities. Consumers have powerful resources in the tourism industry as they greatly determine the demand and, in response, producers seek to meet these demands and needs if they wish to be lucrative (Cornelissen, 2005: 28). Tourists are commonly considered to have power over the suppliers of tourism facilities and, albeit with fewer scholarly adherents, to be the actual creators of the tourism industry. Therefore, some scholars define tourism by focussing on the demand-side of tourism and point their attention to aspects, behaviour and activities related to buying and using (i.e. consumption) of tourist goods (Cornelissen, 2005: 6). The demand-side approach deals with motivational elements and pushes and pulls factors, while sensitive for psychological, economical and social

circumstances of tourists, as well as their perceptions of the social, economic or political conditions of the destination (Cornelissen, 2005: 6). Theobald defines tourism from the demand side. He describes tourism as “the activities of visitors, persons travelling to and staying in places outside their usual environment for up to 12 months for leisure, business, pilgrimage etc.” (Theobald, 1998: 14). Similarly, Przeclawski approaches tourism as “the sum of the phenomena pertaining to spatial mobility, connected with a voluntary, temporary change of place, the rhythm of life and its environment and involving personal contact with the visited environment (natural, cultural, social)” confirms the attention to the visitor’s experience and the power of the consumer (Przeclawski, 1993: 10).

2.3 Conclusion

The complex interaction between various state and non-state participants that seek to enforce their interests and concerns forms the institutional network for tourism policy-making. The state remains the main body of coordination. However, an increasing tendency to organise tourism policy in a network structure increases the power of other non-state stakeholders. The two current paradigms of pluralism and corporatism have cultivated participative tourism policy processes in which the interests of the private and public realm more than ever penetrate into the political structures of public policy-making.

This chapter has clarified the current tendencies with regard to the state as major body of tourism policy, the rising power of other stakeholders and the network structure as a new generative condition of a tourism policy. The next chapter will apply these theoretical findings on the tourism sector in the United Kingdom.

Chapter 3

Tourism in the United Kingdom and the impact of the 2001 crises

3.1 Introduction

Delight and despair came in quick succession when only one day after London won the right to host the Olympic and Paralympic Games 2012, the city was subjected to terrorist attacks. The positive prospects that were forecasted for the United Kingdom (UK) tourism sector with the Olympic opportunity were scattered by the July bombings and soon had to be revised in a less optimistic setup. With the World Tourism Day 2007 focusing on Tourism as an agent for peace, the London July bombings demonstrated that the climate for tourism can seriously be affected by non-peaceful events in a very short span of time. Tourism may indeed be a potential contributor to peace – an aspect confirmed by World Tourism Day celebrations 2007 – but peace is also a prerequisite for tourism.

The tourism sector in the United Kingdom is going through an interesting period. On the one hand, the prospects of the potential spin-offs of the Olympic Games in the country are still lurking in the background and, on the other hand, the fear exists for more terrorist attacks in the near future. In 2001 the UK tourism sector was twice seriously affected: firstly, by nationwide foot-and-mouth disease and secondly, by the attacks of 9/11 in the USA later that same year. At the same time, the opportunities afforded by the Olympic Games in the UK raised the sector's expectations for the years to come.

Prior to these external events, the sector had started an internal reorganisation, largely driven by the need for the industry to be able to act strategically and achieve success in attracting visitors. However, some claim that the government's reorganisation has only increased the incoherency of the sector, rather than to streamline or structure it. Moreover, there seems to be a crucial lack in research resources, which hampers progress of the evaluation of policy. After the reorganisation process, the Department for Culture, Media and Sport remained the only major political body responsible for tourism research and policy, leaving little room for benchmarking or scrutinising by other organisations.

The fact that the Department had not – since 1997 when it came into office – included *Tourism* as part of its name, and that the funds for tourism had never been adjusted to inflation since 1998, caused some to argue that the governance of tourism was inappropriate to a rapidly evolving sector.

This chapter will discuss the UK tourism policy, the tourism product, its trends and outlooks. It will focus on how tourism policy-making bodies have transformed during the last decades as a result of political eras and will also highlight the governmental approach towards tourism as a sector. It should become apparent that tourism's significance for the country, more than any other sector, has continually been underestimated. The crises of 2001, namely the foot-and-mouth diseases and the terrorist attacks of 9/11, have functioned as motors for change in the government's approach towards tourism as well as the government's organisation of policy making for the sector. To fully understand how the July bombings affected the network of policy-making bodies and the stakeholders, it is thus necessary to throw a light on the evolutions the network has gone through in the years prior to July 2005.

With substantial involvement in international politics and trade, the UK reigns over a well-expanded diplomatic corps and numerous business relations that expose the island as a place of international activity. The UK as part of the European Union enjoys the benefit of open boundaries and the proximity of a great tourism market on the European mainland. At the same time, the UK is very different to the continent, taking its social, political and historical features into consideration. Especially the alliance with the United States over the latest years and the recent debates over which direction the future status of the European Union should take, have reinforced a sense of difference among Britons. Despite this, the UK generally has good international relations, making it an attractive tourism destination.

The UK Government follows the World Tourism Organization (WTO) definition of tourism, in terms of which tourism is officially understood as the activities of “persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes” within the country's territory

(Department for Communities and Local Government, 2006: 6). This territory includes England, Northern Ireland, Scotland and Wales. England itself is divided into ten regions of government office, namely North East, North West, Cumbria, Yorkshire and The Humber, East of England, West Midlands, East Midlands, London, South East and South West. From the above definition it is clear that besides the annual family holiday other activities such as, inter alia, business conferences, sales events, professional and academic meetings also go under the 'tourism banner' (Department for Communities and Local Government, 2006: 6). Tourism partakes in this international business climate that is established by all of the above linkages. The multilateral framework for cooperation, established by organisations such as the WTO in which the UK participates, generates an important international forum for the UK government to promote their local interests abroad. The tourism industry is also important for the government, the economy and the people of the UK at national level. This chapter deals with the national organisation of tourism in the UK, leaving aside the international role the UK takes upon itself by subscribing to many international organisations.

When comparing the various sectors of the UK industry on national level, tourism is the third largest foreign exchange earner and the sixth biggest employer. The sector contributed approximately GBP85 billion¹ in 2005 (DCL, 2006: 7, Select Committee Report: 1, British Tourism Development Committee, 2007: 6). The 32.1 million overseas visitors who came to the UK, spending GBP15.4 billion, made 2006 a record year for inbound tourism both in volume and value (Visit Britain, 2007). Compared with 2005, this is a 7% increase in visitor numbers and expectations are that earnings have increased too (Visit Britain, 2007). In real terms, the UK tourism sector is back where it was in 2000 (British Tourism development Committee, 2007: 6). The forecasts for 2007 vary between a negative approach expecting a 2.2% year on year growth, and a positive approach expecting a 5.2% year on year growth, as indicated in Table 3.1.

In a country striving to reach an 80% employment rate, the tourism sector contributes significantly to this target set by the Labour Government in 1997. At present, 2.2 million

¹ All figures are shown in Pound Sterling (GBP).

people are employed within this sector, representing 7.7% of the UK workforce. “Almost 80% of the tourism jobs are located outside London and most tourism employment is located in 150,000 small and medium-sized enterprises” (DCL, 2006: 7) In the longer term tourism employment is important, as it generates a high percentage of new jobs that often provide a stepping stone for young people with little or no experience or qualifications, as well as for people living in areas where employment opportunities are most needed (DCL, 2006: 8).

Table 3.1 Forecasts of UK Tourism Sector Revenue

Source: Drawn from www.tourismtrade.org.uk on 10/05/07

	2007 Volume		2007 Value	
	Total (m)	Yr-on-Yr (%)	Total (£bn)	Yr-on-Yr (%)
Pessimistic	30.9	2.2	15.0	2.2
Central	32.5	3.7	15.8	3.7
Optimistic	34.3	5.2	16.5	5.2

The UK tourism sector consists of two components, i.e. an international and a domestic tourism market. The domestic market being larger than the international tourism market, counts for almost 80% of the ‘tourism pie’ (British Tourism Development Committee, 2007:6). The two components feature distinct patterns and characteristics: domestic visitors tend to spend less time and money at once but they take up a holiday more regularly in the UK, whereas the international visitors stay longer in the country and spend more money. The tourism sector is thus not homogenous and demands an analysis of both branches.

3.1.1 Domestic Tourism

Domestic tourism is the most valuable and important part of UK tourism, almost contributing three times the revenue of overseas tourism. Domestic overnight trips were worth GBP9.2billion to the UK economy during January to June 2007, up +5.6% from the same period the previous year (Visit Britain, <http://www.tourismtrade.org.uk>).

Almost one third of the trips are undertaken to visit friends and relatives (see Table 4.2). These visits tend to be short and relatively cheap compared with visits to other countries, but they are numerous (The Tourism Network, 2006:2; House of Commons, 2006:14). A significant part of the domestic tourism trips is made for business. The volume of business visits has been slackening during 2007, whilst the expenditure has further increased (Visit Britain, <http://www.tourismtrade.org.uk>).

Table 3.2: Domestic trips and expenditure during January-June 2007

Source: www.tourismtrade.org.uk on 10/05/07

Trips taken Jan-June 2007	Trips (Millions)			Bed nights (millions)			Expenditure (£ million)		
	2006	2007	% Change	2006	2007	% Change	2006*	2007	% Change
United Kingdom									
Total	55.2	55.6	0.7	160.2	161.3	0.7	8,709	9,198	5.6
Holiday	21.9	22.9	4.3	71.1	78.4	10.1	4,098	4,586	11.9
VFR	21.3	21.5	1.0	58.8	57.1	-2.9	2,009	2,032	1.2
Business	10.5	9.9	-5.7	24.8	21.3	-14.3	2,309	2,377	3.0
England									
Total	44.5	45.2	1.5	124.5	125.3	0.7	6,775	7,150	5.5
Holiday	16.5	17.7	7.3	52.5	57.1	8.8	3,107	3,431	10.4
VFR	17.9	18.2	1.7	48.0	47.9	-0.2	1,642	1,682	2.4
Business	8.8	8.2	-7.6	19.7	17.1	-13.1	1,801	1,876	4.2

* all expenditure figures are in historic prices

Domestic tourism is a contributor to urban, as well as to country side tourism (compare Table 3.3). The countryside clearly takes the advantages of domestic tourists preferring to walk and visit heritage sites. Urban tourism offers great opportunities for artistic and cultural visits. London is the greatest tourist attraction for urban tourism.

Table 3.3: Holiday activities of UK residents

Source: www.tourismnetwork.org accessed on 03/02/07.

Visiting heritage sites	29%
walking 2 miles or over	27%
Visiting artistic or heritage exhibits	22%
Watching performing arts	22%

The nearby European countries and the USA are the main competitors for England as a holiday destination for domestic tourism. Spain, France, USA, the Irish Republic, Italy, Greece and the Netherlands are the most popular destinations for UK residents according to the International Passenger Survey 2004 (UK Market Profile, 2006: 3).

3.2.2 Overseas Tourism

During the 12-month period ending March 2007, visits by overseas residents to the UK rose by 7%,, from 30.2 million to 32.3 million (National Statistics, www.statistics.gov.uk). This increase is mostly welcomed after a period of decrease that started after the peak year in 1998 and came to a low in 2001 (ONS, News Release, Travel Trends 2005, 2006: 2).

Table 3.4: Visits and spending by region of stay and by region of residence and purpose of visit 2005

Source: National Office for Statistics. International Passenger Survey 2005.

	London		Other England		Total England		Scotland		Wales	
	visits (thousands)	spending (£ million)	visits (thousands)	spending (£ million)	visits (thousands)	spending (£ million)	visits (thousands)	spending (£ million)	visits (thousands)	spending (£ million)
North America										
Holiday	1,221	596	515	224	1,488	820	245	150	69	13
<i>of which inclusive tour</i>	269	103	86	22	290	125	60	29	24	2
Business	567	597	361	237	824	834	68	45	18	10
Visiting friends or relatives	537	193	684	244	1,068	437	192	70	44	11
Miscellaneous	352	268	137	88	468	356	21	20	3	4
All visits	2,676	1,654	1,697	793	3,849	2,446	525	286	133	37
Europe										
Holiday	3,496	1,198	2,174	648	5,433	1,847	727	350	212	64
<i>of which inclusive tour</i>	709	205	492	122	1,170	327	132	62	50	13
Business	2,086	1,037	3,039	945	4,891	1,982	269	120	150	51
Visiting friends or relatives	2,240	597	3,391	859	5,375	1,456	399	109	224	55
Miscellaneous	751	379	1,145	759	1,831	1,138	107	103	109	47
All visits	8,572	3,212	9,749	3,212	17,529	6,424	1,502	683	694	218
<i>- of which EU25</i>										
Holiday	3,147	1,032	1,960	567	4,904	1,599	655	313	206	63
<i>of which inclusive tour</i>	668	187	467	112	1,105	298	124	57	50	13
Business	1,766	790	2,785	834	4,369	1,623	240	107	144	41
Visiting friends or relatives	2,053	512	3,124	765	4,939	1,277	361	94	207	48
Miscellaneous	645	324	1,024	625	1,614	950	96	96	100	46
All visits	7,612	2,658	8,893	2,790	15,827	5,448	1,353	609	658	198
<i>- of which EU15</i>										
Holiday	2,880	924	1,775	515	4,480	1,439	595	280	201	62
<i>of which inclusive tour</i>	655	181	432	106	1,057	287	110	54	50	13
Business	1,539	703	2,279	715	3,677	1,418	204	101	116	36
Visiting friends or relatives	1,760	417	2,824	673	4,370	1,091	330	84	188	39
Miscellaneous	549	235	893	488	1,392	723	78	68	100	45
All visits	6,727	2,279	7,771	2,392	13,920	4,670	1,207	533	606	182
Other Countries										
Holiday	1,143	713	513	314	1,434	1,027	126	84	51	20
<i>of which inclusive tour</i>	239	63	52	19	254	82	18	6	10	1
Business	522	548	310	311	749	859	64	52	13	6
Visiting friends or relatives	685	430	814	483	1,308	913	159	94	69	26
Miscellaneous	295	302	192	331	453	633	16	10	12	5
All visits	2,644	1,993	1,830	1,439	3,944	3,432	365	239	146	56
Total World										
Holiday	5,859	2,507	3,202	1,186	8,355	3,694	1,097	584	333	97
<i>of which inclusive tour</i>	1,218	371	631	164	1,715	534	210	97	85	16
Business	3,175	2,182	3,710	1,493	6,465	3,675	401	217	181	68
Visiting friends or relatives	3,462	1,220	4,888	1,585	7,751	2,805	750	273	336	91
Miscellaneous	1,397	949	1,473	1,179	2,752	2,128	144	133	124	55
All visits	13,893	6,859	13,275	5,444	25,323	12,302	2,392	1,208	973	311

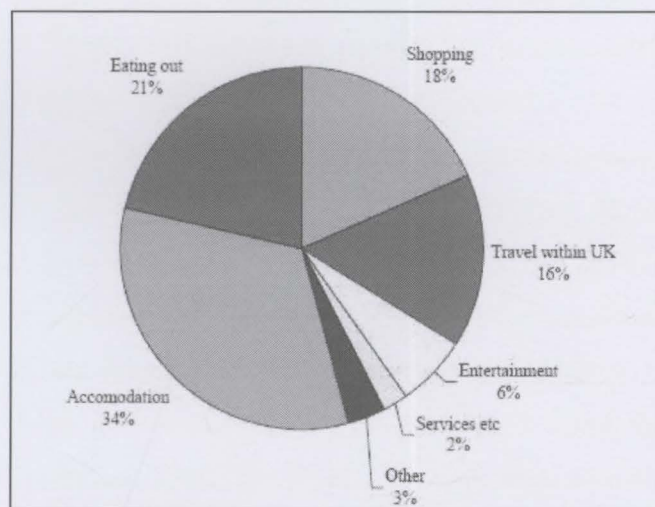
Due to changes in IPS sampling methodology in 2005 with the introduction of Liverpool and Prestwick airports into the sample, care should be taken when comparing results for 2005 with earlier years. See notes in Appendix B relating to changes in methodology introduced in 2005. Channel Islands and transit passengers are excluded from spending figures

Table 3.4 shows the distribution of the purpose for visits, spending and destination by country of origin. Holiday trips are the most popular reason to visit the UK and count for about one third of the total visits for all countries. This is followed by visits to friends and relatives (VRF) and business trips.

The tourism sector encompasses various sub-sectors which all benefit from domestic and international tourism spending. For the tourists, the greater share of their overall holiday budget goes towards accommodation, followed by eating out, shopping and inland travels, as shown in Table 3.5.

Table 3.5 Tourism spending in the UK by category, 2001

Source: House of Commons, Research Paper 03/73, 2003



Overseas visitors like spending their holiday time in UK cities, with London being the most popular of all cities. “Just over half of all visits to the UK that included an overnight stay (25.3 million) involved at least one night in the capital (13.9 million visits)” (ONS, 2005: 5). London is followed by Edinburgh (with almost 1 million visits), Manchester (800 000 visits), Birmingham (700 000 visits) and Liverpool (with 700 000 visits) (ONS, 2005: 5).

3.3 The United Kingdom as a tourism destination

With the world tourism market becoming larger and the competition stronger, the UK’s market position is threatened by new competitors offering an increasing range of attractive products. Compared to these new entrants, the UK is seen as a high-cost destination. This has been officially announced as one of three negative perceptions of UK tourism to be tackled by tourism policy. The other two negative aspects involve the

weather and the quality of services (Strategy of Enjoy England 2006-2009: 5). Being the most expensive city to live in the world, London prices are indeed higher than in most countries, often due to high rates of Value Added Tax (VAT).

A study by the House of Commons, *The Economic Effects of Changing VAT Rates on the British Tourism and Leisure Industry* (2000), suggests that international tourism receipts and expenditure are strongly influenced by the cost of tourism services within the UK (House of Commons, 2000: 28). Hotels are particularly affected by high VAT rates, which often contribute to the fact that tourists perceive accommodation to be overpriced. "There is a general feeling in the tourism industry that one of the reasons that the UK is losing its market share of world tourism is because hotel prices are not competitive. The UK has one of the highest rates of VAT on accommodation in the EU; only Denmark levies a higher rate" (House of Commons, 2000:28). The report raised criticism of the government's policy, as it discussed the successful experiences of the Irish Republic. There, the government had halved the VAT on visitor accommodation and restaurant meals in the mid 1980s, resulting in a sharp increase in visitor numbers (House of Commons, 2000: 28). The higher number of overseas visitors resulted in an increase in foreign exchange earnings of more than 50%. In addition, the tourism behaviour of residents was said to have changed and people became more likely to go on holiday in Ireland (House of Commons, 2000: 29).

The report forecast that the Exchequer would lose £400 million per annum, should the rate of VAT applying to visitor accommodation be reduced from 17.5% to 8% (House of Commons, 2000: 29). However, the loss would be compensated for by up to £700 million after ten years by gains from additional income and corporation tax receipts and savings in social security payments. This is not to mention the creation of 50,000 new jobs. The British Hospitality Association lobbied hard on this matter, but the Government reacted unfavourably and repeatedly made it clear that it was not considering a reduction in the VAT rates, rather trusting in long-term benefits of its overall tourism policy (House of Commons, 2000: 29).

In 2001, there was a balance of payments deficit in the sector, reaching £13.6 billion, with £31.4 billion spent by overseas tourists in the UK against £45 billion spent by UK residents overseas (House of Commons, 2001). According to the Select Committee, this gap is a cause for concern within the industry and across Whitehall, as for the last 12 years the balance had been constantly positive (House of Commons, 2001).

3.4 Fissures in the development of the UK tourism industry

Geographical dispersion and eras of free-market ideology have given the tourism sector in the UK a hard time. Kerr (2003) described this in his book with the provocative title ‘Tourism Public Policy and the Strategic Management of Failure’. Whereas other European governments intervened in tourism in terms of leadership and strategy, Mrs Thatcher’s free-market inspired leadership left the tourism sector low on the UK government’s agenda during some crucial years. The influence of the Thatcher years on this sector can only fully be understood against the background of another weakness, namely a geographical fissure. The following sections will deal with the geographical fissure and the ideological dispersion that affected the tourism industry.

3.4.1 *A geographical fissure*

In comparison with other European tourism sectors, the UK sector is relatively young, as it first had to overcome the geographical dispersion of its countries. Unlike many other countries, the UK is indeed an unusual constitutional entity: it is not a federation, but neither is it a unitary state. The ‘union state’ of the UK, as so described by Rokkan and Urwin (1983), is indeed difficult to fit into the standard categories of political and legal analysis. This has caused complications for the development of tourism (Kerr, 2003).

“Tourism within the different countries of the UK developed haphazardly and independently of one another well into the twentieth century, and it was not until the lead up to the Second World War that government began to recognise, albeit in a limited way, the importance of tourism to the economy. However, it was thirty years before this was formalised. Up until then, apart from the efforts of the British Travel Association, tourism

promotion, marketing and product development has been an uncoordinated effort with the various UK geographical areas following their own disparate strategies” (Kerr, 2003: 87).

The first proper attempt to coordinate the various strategies was set up under the Development of Tourism Act in 1969. With the Act, the National Tourism Organisations (NTOs), e.g. the English Tourist Board (ETB), The Scottish Tourist Board (STB), The Wales Tourist Board (WTB) and the British Tourist Authority (BTA) were established (Kerr, 2003: 87). Central government funded the three NTOs and the BTA, through which the regional activities were supposed to be motivated. At the same time, however, the government’s funds made the organisations very dependent as these grants fluctuated in accordance with the importance placed on tourism by the government of the day (Kerr, 2003: 87). The Act itself, and in a way also the successive governments who failed to amend it accordingly, have been criticised – and not only in retrospect – for the lack of a statutory regional public sector structure for tourism (Kerr, 2003: 87). Despite the prospect of a more coordinated and flourishing tourism policy infrastructure, the ETB, STB and WTB created their own disparate regional tourism structures, which were continually beset with funding problems (Kerr, 2003: 87). Funding and the government’s attention would remain problematic for many years, as the approach of the governments in office was in sharp contrast with what the young sector needed.

3.4.2 Ideological fissure

Besides the geographical dispersion that affected the tourism, the development of the sector has been determined by the political ideologies of the governments it was governed by. Tourism policy requires the awareness that the phenomenon of tourism can be interfered with and, moreover, is worth the time and effort spent on developing proper policy. In the UK, as in other countries, the tourism sector and the policy surrounding the sector have reflected the acknowledgement of the sector’s value by the government in office. The sector has gone through various eras of political thinking and has been affected by the values and beliefs of the various governments. As Elliot (1997: 40) states:

“Decisions about tourism are taken in the context of a political system. A political system can be liberal, democratic or totalitarian, it can be left or right politically, but in practice all types of regimes have supported or sponsored tourism. The dominant ideological and philosophical belief and values of the political system will determine how far governments will intervene in the economic system, what will be the role of the private sector, and how much support and finance will be given to tourism”.

The Government led by Mrs Thatcher is a typical example hereof: tourism was far from a priority for the government and it was even questioned whether the sector could not be left completely to the powers of free market. Various authors described the fissure that existed between the Thatcher ideology and the needs of a young tourism sector that was not able to cope with a ‘laissez faire, laissez passer’ ideology (Kerr, 2003; Hall, 2000; Elliot, 1997). “All governments ultimately have to recognise the economies of the market. Governments of the right, however, such as Mrs Thatcher’s, made market economies a basic political ideology, which became known as ‘Thatcherism’. Following this ideology governments withdraw as much as possible from tourism and leave it to the industry and market forces” (Elliot, 1997: 57).

Hall describes how the fledgling tourism policy architecture was hampered from the 1980’s onward by Mrs Thatcher’s office, with a supposed retreat by central government from active policy intervention. This provides an example that tourism is not immune from changes in political philosophy in its wider policy environment (Hall, 2000: 17). Thatcherism swept away most of the UK’s tourism support edifice by policies of deregulation, corporatisation, privatisation, free-trade, the elimination of tax incentives, combined with a move away from discretionary forms of macro-economic intervention. These have been the hallmarks of the emphasis of intervention from smaller government and lower levels of central government (Hall, 2000: 17).

Tourism came under the umbrella of the newly formed Trade and Industry Ministry, which was the former Board of Trade (Kerr, 2003: 87). Instead of being subjected to profound policy making, tourism soon became subject to the laws of the free market, without getting much further interest from the Ministry. All the potential opportunities

for tourism in a framework of trade and industry came to naught and the sector was later transferred to the Department of Employment, primarily seen as a one-dimensional sector that could serve only as an employment-rejuvenating tool.

“As much as the previous post-war Labour and Conservative administrations gave little direction on tourism policy, the Thatcher administration failed adjectively to give any clearer a direction, both in terms of commitment to tourism, which appeared to be leave it at the behest of the market forces, and by later incongruously transferring responsibility for it to the Department of Employment” (Kerr, 2003: 87).

It was in 1985 that the Secretary of State for Trade and Industry, at that time Lord Young, was asking why the government should involve itself directly in tourism which he thought was primarily a matter for private enterprise (HMSO, 1995). With job creation high on his agenda as the desired outcome of tourism development – a trend that was reflected in other countries’ policies (e.g. Ireland, Scotland, Wales, India, Australia) – he moved tourism to the Department of Employment. This strategy would prove unsustainable in the longer term (Kerr, 2003: 87).

Following John Major’s first electoral victory in 1992, tourism was withdrawn from its former responsibilities to increase employment and became part of the newly created Ministry, the Department for National Heritage. Tourism was seen as part of the recreation sector and operated awkwardly alongside sport, royal parks and palaces, the arts, libraries, broadcasting, heritage sites, and the press and media (Kerr, 2003: 95). The government became a little more supportive of tourism. However, its role remained rather undefined and the sector was still largely shaped by private investors. The English Tourist Board reported: “The government, quite rightly, insists that the taxpayer must get value for money. It accepts that there is a need for continued public support of tourism, because there is clear evidence of ‘market failure’ in this highly fragmented industry, but it feels that the future direction should be shaped by the private sector, the regions and the English Tourist Board working in the closest partnership” (English Tourist Board, 1990). More than being a well-considered approach taken up by the government toward tourism,

Elliot states that the government had not been sure what its role should be and therefore had not provided the necessary authoritative voice to guide the industry and ‘policy community’ in policy formulation and action (Elliot, 1997: 88).

Whilst still in opposition, the Labour Party made promises that it would increase the government’s financial contribution to tourism. Once in office, however, Labour seemed to renege on those promises (see Labour Party, *Breaking New Ground: Labour’s strategy for the tourism and hospitality industry*, 1996). A few years prior to 2001 the tourism sector had gone through a few important shifts to battle fragmentation and improve representation of the small firms in decision-making at regional and national level (House of Commons, 2003). Besides the DCMS itself, the various government agencies also went through a process of transformation over the later years to meet the challenges of today’s tourism. The British Tourist Authority (BTA) had the primary duty to promote Britain to overseas visitors, whereas the Scottish, Welsh and English Tourist Boards had to promote their respective home nation in the domestic market. The English Tourist Board was replaced by the English Tourism Council (ETC) in 1999 to meet the need for strategic advice on tourism policy for the Government. Furthermore, it had to carry out research promoting best practice, improve standards of quality and support the development and promotion of tourism through England (House of Commons, 2003). The marketing role of the former ETB was carried out by nine English Regional Tourist Boards.

However, the real appreciation of the sector started in the year 2001, as a result of a dual crisis the tourism industry went through.

3.5 Crises in the UK tourism as a motor for change in the making of policy

Two major crises hit the tourism sector badly and remarkably they occurred in the same year, 2001. In February a foot-and-mouth disease outbreak, which affected the entire English countryside, was confirmed. Farms, bed and breakfasts and other tourism-related businesses were isolated from tourism activities. Later in that year, the terrorist attacks on

the World Trade Centre had severe repercussions. “These events adversely affected many areas of national life, but tourism was one of the worst hit economic activities both in Britain and throughout the world. Visitor numbers to the country fell by 9% on 2000 figures and spending decreased by 12% from 2000” (House of Commons, 2003).

3.5.1 The outbreak of foot-and-mouth disease (FMD) and the effects on the tourism sector and its governance

The English Tourism Council predicted that losses to English tourism would be £5 billion in 2001, £2.5 billion in 2002, with the tail end of the disaster causing losses up to £1 billion in 2003. A total of 150,000 jobs were directly at risk and 3000 small rural tourism businesses faced bankruptcy (Miller & Ritchie, 2003:152). At the same time, however, larger towns and cities noticed an increased level of activity in tourism businesses, as these were perceived to be safer places to visit (Travelmole, 2002). The effects were felt long after the government’s announcement that the FMD was officially over, 11 months after the outbreak (Miller & Ritchie, 2003: 150). Farmers in the UK turned towards tourism in the last decades as a way to diversify and regulate farming incomes, responding to the downturn in agricultural activities and the government’s promotion of new economic activities, including tourism (Muller & Ritchie, 2003: 152). This explains why the outbreak of FMD in 2001 hit the tourism sector so much harder than the outbreak in 1967 (Baxter & Bowen, 2004). Farmers relied increasingly on tourism through which the rural environment had been transformed into a tourism scene susceptible to the sector’s volatility. Due to the small size of the individual businesses and the fragmentation of the industry, the impact of the disease was enormous.

“Despite the end of the disease, the outbreak has deeply affected the farming and tourism industry and raised questions concerning the government policy toward both farming and tourism industry. Although the outbreak was not expected, questions have been specifically raised concerning the responsiveness and preparedness of the entire UK tourism industry for the falling numbers that resulted from FMD” (Miller & Ritchie, 2003: 150). “The effects of the crises on the industry were seen by the Government and the media and significant steps were taken to support and promote it through this time of

need. In March 2001 the Government provided £2.2 million for the implementation of the first stage of the BTA's recovery plan for inbound tourism, with another £3.8 million to the ETC for short-term recovery measures [...] The increased funding and publicity greatly aided the sector and reduced the negative effects predicted" (House of Commons, 2003).

That the government was not prepared for the crisis and that the support for the sector came months after the outbreak, demonstrate that it was more ad hoc crisis management due to the lack of anticipated risk management. Faulkner (2001:142) argues that the effectiveness with which the sector and the government handle the crisis, and the degree to which both are prepared for it, has a bearing on the overall effects on the industry as well as on how quickly services restore to normal. Cotton (2001) states that the tourism industry, like all other industries was not prepared for FMD, largely due to the lack of power of the tourism sector compared with other affected sectors. Again, the fragmentation of the industry is blamed for its difficulties (Cotton, 2001). In the intermediate phase of the crisis, described by Miller and Richter as the point where the short-term needs of people have been addressed and the main focus of activity is to restore services and the community to normal, UK tourism again suffered from fragmentation. This was because some areas of the country started to persuade visitors that it was safe to visit, while other areas continued to suffer with new outbreaks of the disease (Miller & Richter, 2003:164). Calls from some sectors in the tourism industry to proceed with advertising campaigns were totally misplaced for others.

Two months after the outbreak, the English Tourism Council was given £3.8m to promote domestic tourism, which was spent on specific market campaigns. This financial aid, following the ETC calculations, generated 766,000 additional visits and produced a return investment of £27 for each £1 spent (Miller & Ritchie, 2003: 164). In May, £12 million was given to the British Tourism Association for international marketing, while no further funds were available for the more seriously affected domestic market. The slow disbursement of the financial aid and the choice to spend more on the international

market than the domestic market, have been questioned. Industry representatives suggested that it was far too little far too late (Miller & Ritchie, 2003:164).

In the resolution of the FDM crisis, central government was the principal body forcing change as a response to the lessons learned. A new government ministry, The Department for the Environment, Food and Rural Affairs (DEFRA) was created from the remains of the old Ministry for Agriculture, Fisheries and Food. Tourism, on the contrary, was left in the Department for Culture, Media and Sport (DMCS) and no fundamental changes were made in government responsibilities, or in the structure of policy-making bodies. This indicates aptly, following Miller and Ritchie (2003: 166), how the tourism industry lacked power in comparison with other sectors, in this case the farming industry. Secondly, they also argued that it demonstrated a lack of understanding of the nature and needs of the tourism industry by the government (Miller and Ritchie, 2003: 167):

“The much heralded claim of the Labour Government has been to produce ‘joined-up government’, yet the exclusion of the representatives of the tourism industry from the new ministry for rural affairs can do little to promote tourism’s influence over future disaster preparations or, more positively, over the continued changes taking place to the economic and social fabric of rural areas, of which tourism is a major contributor.”

Despite the failure of the tourism sector to lobby for the creation of a new Department in which the status of tourism is acknowledged according to its value, the industry gained more bargaining power out of the crisis, as two new groups were created. Tourism Alliance, set up by the British Tourism Development Committee, is a direct response to the above evaluations and attempts to ‘enable the tourism industry with a united and cohesive voice.’ It is headed by the Director-General of the Confederation of British Industry and comprises 50 tourism-related trade associations and organisations that together represent almost 200,000 businesses of all sizes throughout the UK (www.tourismalliance.com on 25/05/07). The Alliance also seeks to identify and develop policies and strategies to increase standards within tourism. In doing so, it creates the feeling that the Government has an essential role in rejuvenating the sector (House of Commons, 2003). The organisation can do much to ensure tourism does not become excluded or sidelined from the planning for management of future disasters (Miller & Ritchie, 2003: 167). The creation of Tourism Alliance can be viewed as a potential

counter to fragmentation in the industry. A second group created as a direct result from the FMD is the Tourism Industry Emergency Response (TIER). TIER is made up of senior industry partners, and was formed to create an effective network to develop and disseminate information and strategies in the event of future crisis (Frisby, 2003).

3.5.2 *The effects on the tourism sector and its governance of 9/11*

The events of 11 September 2001 in New York had a severe impact on tourism in the UK, especially on international tourism. North Atlantic Air traffic figures showed a 31.3% decline for October 2001 and a 26% decline for November that year. Whereas the larger cities had noticed a slight advantage during the FDM crisis, they were now perceived as potential targets for terrorism. Accordingly, the increases in domestic tourism in the UK evidenced that people were switching to holidays in the UK rather than travelling overseas, feared by the perceptions of increased risk. A survey by the English Tourism Council in October 2001, showed that 15% of the respondents had cancelled their trip, either domestic or international, 25% had postponed their trip but intended to go on holiday, 48% decided to wait to make travel plans until the situation was more clear and 19% of the respondents had replaced their international booking with a holiday in the UK (Travelmore, 2001). After the terrorist attacks in the USA, organisations within the entire sector noticed alarming effects, but it was especially business involved in international tourism that suffered. According to British Airways, the company's premium air traffic decreased by 15.7% and non-premier travel by 11.4% (House of Commons, 2004). In addition, they reduced their workforce by cutting about 13,000 jobs. Generally, visitor numbers went down, and as a result transport, accommodation, catering and many more services noticed a decreasing demand too.

Hopper (2004) describes how the London Tourism Board (LTB) positioned and promoted London in the wake of 9/11 by immediately creating the London Tourism Recovery Group. This Group was tasked to conduct research during a six-month period to measure the impact of the 9/11 attacks on the local tourism economy (Fall, 2004). Extensive research was conducted and data were continuously collected, leading to

timely strategic action planning procedures to be put into place. A special promotional campaign, 'The Greatest Show on Earth', was launched to stimulate domestic business to London. It was soon followed by other special promotional campaigns such as 'Royal London' and 'Only in Britain' and 'Only in 2002' (Fall, 2004).

3.5.3 *The legacy of both crises*

It is commonly agreed that the crises of 2001 acted as stimuli for Government assistance to the sector and that they raised awareness of the needs of tourism both within Government and the public (House of Commons, 2003). A government report stated that: "The British Resorts Association highlighted the fact that the dual crises of 2001 raised political and public awareness of tourism much more effectively than many years of lobbying by the industry." (House of Commons, 2003). The crisis year of 2001 made the government realise that the tourism industry is a valuable industry and, whilst the industry itself gained more government and public empathy, setting a good climate for lobbying.

"Such a course of events illustrates the vulnerability of the tourism industry to disasters but demonstrate the potential for positive change to emerge. However, the extent of negative or positive impact is largely beyond the control of the tourism industry. Both FMD and the terrorism on 11 September 2001 could not have been influenced by the tourism industry, only responded to, while both events were entirely unpredictable" (Miller & Ritchie, 2003: 169).

Besides the initiatives taken by the industry, as discussed above, National Government too has acted upon the lessons learned from the crises. The Department for Culture, Media and Sport is responsible for supporting the tourism industry at national level; and for putting regional and local support for the sector into a strategic context (Department for Culture, Media and Sport, 2007). The Department for Culture, Media and Sport has two very particular responsibilities: it organises the 2012 Olympic Games & Paralympic Games and it is assigned the responsibility for humanitarian assistance in the event of a disaster (Department for Culture, Media and Sport, 2007). In terms of their latter responsibility, the Department works closely with UK Resilience, the news and

information service for emergency practitioners, led by the Civil Contingencies Secretariat at The Cabinet Office. The Department has been closely involved in supporting victims of major disasters since the Secretary of State for Culture, Media and Sport, Ms Tessa Jowell, was asked to take on a long-term support role after the events of 9/11. The targets are to establish an effective strategy for delivering the best possible responses in the event of any future disasters (Department for Culture, Media and Sport, 2007). Objectives include the provision of a co-ordinated approach to aftercare for the survivors and bereaved relatives and the establishment of a cross-government financial support system for them. On the longer term, there are plans to help individuals and communities respond to disaster and the threat of disaster. It is thereby important to develop strong links with other work being taken forward across Government (Department for Culture, Media and Sport, 2007).

The year 2001 can therefore be perceived as a milestone in itself in the history of the UK tourism industry. Not only for the crises that occurred in that period, but perhaps as much for the changes that these extraordinary events have caused in the organisation of tourism governance.

3.6 The July 2005 bombings and the above crises: Common features

According to the ETC, the combined effect of the two crises in 2001 created a direct loss of £5 billion to the UK and a further £3 billion in terms of opportunity cost (House of Commons, 2003). The Select Committee agreed with the Tourism Alliance that the sector's real challenge was further successful recovery of the crises and keeping tourism very high on the Government's agenda (House of Commons, 2003). "Inbound tourism has had a record year with 28 million visitors coming to Britain – a continuing recovery from 2001, for which the figure was 22 million (Local Government Association, 2005). Interestingly enough, however, the various crises touched the tourism sector in different ways and in different areas: The terrorist attacks occurred in Washington and like the rest of the world, the UK suffered under a disrupted international business climate. The global

tourism industry went through a crisis and the UK was only one of the many countries that had to battle this crisis. However, the FMD occurred in the territory of the UK, and therefore the attention of the media, tourists and international observers only concentrated on the developments in the UK.

The British Resorts Association states that the FMD seriously disrupted domestic tourism patterns, whereas the terrorist attacks of 9/11 had severe effects on the inbound tourist figures (House of Commons, 2003). Furthermore, the ETC Research submitted evidence that the terrorist attacks had a disproportionate effect on the capital and other historic cities, whereas the FMD principally affected domestic rural tourism (House of Commons, 2003).

Unlike a catastrophic event such as bomb explosions or acts of terrorism, the full extent of the FMD problem was not discovered immediately and the potential for denial of the existence of the problem was greater (Miller & Ritchie, 2003: 161). A first identified case of FMD is serious, but unlike the first bomb or the first airplane that hits a building, it does not serve as an immediate trigger to media attention and government support. Single instances of FMD do not appear in the media until the number has increased significantly and some days have passed (Miller & Ritchie, 2003: 161). Moreover, FMD causes no visual impact on the landscape, whereas terrorism leaves a clear hallmark on the site of the attack (Miller & Ritchie, 2003: 161). This might be important in the perceptions of tourists and the influence it has on the decisions they make. FMD is greatly caused by environmental factors and happens rather randomly, whereas terrorist attacks are the result of an intentional act undertaken by people. Unlike the randomness of FMD, terrorism contains a message and the targets are specifically chosen to bring the message across.

In July 2005, two series of bomb explosions in the capital caused another crisis for the UK tourism industry. This crisis displayed features from both crises discussed above: It was an intentional act of terrorism that occurred within the territory of the UK and was conducted by citizens from the country. Research suggests that the domestic market was

hit the hardest, whilst the international market remained relatively intact. Cities were perceived to be high-risk targets and tourists preferred to visit rural areas, which were seen as safer destinations. Besides the common features with both previous crises, the July bombings also introduced new challenges for the tourism policy-making bodies to respond to. Therefore, the next chapter will focus on how the July bombings of 2005 have been a motor of change for the tourism policy-making bodies and the stakeholders involved.

3.7 Conclusion

This chapter revealed that the tourism sector in the UK experienced difficulties with regards to its development, and that it was hampered by the geographical dispersion of Scotland, Wales and England, as well as by the free-market ideologies of the government under Mrs Thatcher. The tourism industry prior to 2001 was in a state of neglect and compared with other European countries far behind in terms of coordination, organisation and institutions.

The two crises of 2001 have made the government, the industry and the public aware of the importance of tourism. To respond to the crises, new institutions were established and links between the various levels of government and with the industry were tightened. One may thus conclude that the crises provided an opportunity to improve the coordination and cooperation in the sector, thereby increasing the resilience of the sector for future crises. The next chapter will demonstrate how the legacy of 2001 had a great impact in the way the industry and the government responded to the July bombings of 2005.

Chapter 4

The July 2005 bombings and the impact on tourism governance

4.1 Introduction

The July 2005 bombings are not the first attacks on UK interests and it is unfortunately not inappropriate to expect more incidents in the near future. Yet, the bombings of 2005 are symbolic as they represent the first successful so-called 'Islamist' terrorist attack in the UK (Intelligence and Security Committee, 2006: 2). UK interests had been targeted successfully by terrorist attacks in November 2003 in the Al Qaeda-associated car bomb attack on the British consulate and HSBC offices in Istanbul. The events of 9/11 also included British victims, and so did the attacks in Bali on 12 October 2002 and in Madrid on 11 March 2004. Whilst in the process of writing this thesis, another series of attempted bombings startled London and two car bombs in the centre of the city were defused. As new events occur, the importance of interdisciplinary research between tourism and politics grows accordingly, and the need to understand the relations between the two phenomena becomes more profoundly.

The first section of this chapter reports the events of the July 2005 bombings as well as the short-term actions undertaken by the parties within the tourism industry that were covered in Chapter 3. Based on the insights gained in the previous chapter regarding the effect of the 2001 crises and the subsequent short-term actions, this chapter will examine and evaluate the effect of the July 2005 bombings on tourism governance.

4.2 What Happened?

Fifty-two people were killed and several hundred people were injured in bomb explosions what are known to have been terrorist suicide attacks in London on 7th July 2005 (Intelligence and Security Committee, 2006: 2). The four incidents were planned to cause confusion and create fear of further attacks, as pointed out in a report of the London

Regional Resilience Forum: “While each of the events was a serious incident in its own right, their unprecedented cumulative effect was to spread public confusion and speculation, particularly about whether further attacks were imminent” (London regional Resilience Forum, 2006, 1). Two weeks later, again London was targeted by suicide bombers.

The likeliness of a terrorist attack was known prior to the July bombings and repeatedly announced by the intelligence and security services and by the Government. Since 9/11 they continually warned of the high level of threat to the UK and, as stated in the intelligence report on the July bombings, the 2004 attacks in Madrid, in particular, increased the alertness for a UK attack.

“The fear of unidentified attack planning intensified following the attacks in Madrid in March 2004 as they showed that terrorist networks could engage in unseen operational activity despite the most intensive investigation efforts. In June 2005 the Joint Intelligence Committee judged that Western states could not be confident of identifying preparations for attacks, and that there would probably be a successful attack of some sort in the UK in the next five years” (Intelligence and Security Committee, 2006: 2).

Only one month later that moment arrived. The official government report on the events published in the aftermath of the bombings states that a number of terrorist plots – the exact number is not stated as the information is sub judice – *have* been thwarted by the Intelligence and Security Agencies since 11 September 2001. Since July 2005 another three bomb attempts were successfully intercepted and thwarted (Intelligence and Security Committee, 2006: 4). This shows that the July bombings were not isolated events and appear to be part of an ongoing will to attack the British society.

In recent years, the threat of British-born citizens becoming involved in plotting attacks, has developed. The attempt in 2001 of Richard Read, known as the British shoe bomber, to blow up a transatlantic flight clearly illustrated the need for Intelligence and Security services to understand the phenomenon of terrorism activity on home soil (Intelligence and Security Committee, 2006). The report points out that security services were surprised by the speed of radicalisation of those involved in the July bombings. The need

to understand the process of radicalisation was acute in order to identify where terrorism might develop and how it might manifest itself. Detailed work by the Security Service found that no simple Islamist extremist profile existed. Therefore, the report warns:

“The threat is likely to come from those who appear well assimilated into mainstream UK society, with jobs and young families, as from those socially or economic deprived sections of the community” (Intelligence and Security Committee, 2006: 29).

Tourism may be a strategic target for bombers. As Sönmez, Apostolopoulos and Tarlow (1999: 14) point out, tourism symbolises capitalism and is greatly state-sponsored. Attacking tourist hot spots means attacking the government the bombers are fighting against (Sönmez et al 1999; Hall & O’Sullivan, 1996). Attacks on the Underground and bus transport system are not directly targeted against tourism, whereas for example the Bali bombings were doubtlessly targeted at tourists. However, tourists make use of the transport system to get in and around the capital. The timing of the explosions at 8.50 am allowed the bombers to involve a wide variety of people: professionals making their first journey of the day to work and tourists on their way to a tourist attraction.

The attack on the transport system clearly affected the tourism sector more severely than would have been the case with an attack on an icon of the state and the values it stands for, as with the Twin Towers. Attacks on locations commonly connected with tourism tend to have a slightly higher impact on the tourism industry (Pizam, 1999: 7). Applying Pizam’s findings on the July 2005 case, one may say that the explosions on the transport system became more significant for the tourism industry as when the explosions had taken place on an “off the premises” (Pizam, 1999: 7). One may thus conclude that the explosions on the London transport system were not specifically directed at a tourist hot spot, but neither were tourists safeguarded against the risk of becoming victims.

4.3 The impact on the consumption of the London tourism product

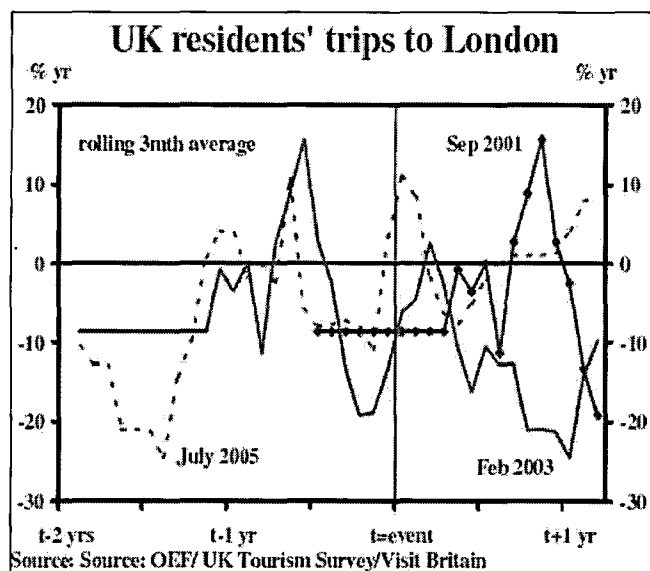
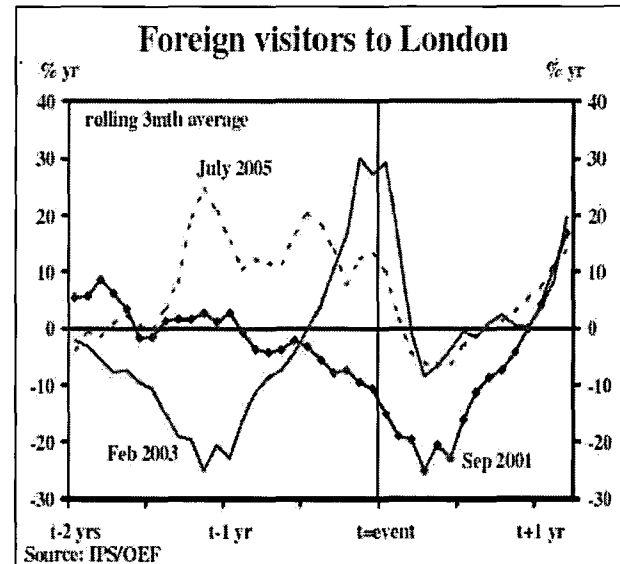
Terrorist attacks are generally followed by a decline in tourism demand and tourist arrivals (Pizam, 1999: 5; Kim et al 2003). It is yet a delicate exercise to weigh up the effects of the terrorism incident with changes in other variables (Eugenio-Martin, Sinclair & Yeoman, 2005: 8; Davies, Personal Communication, 2007). Tourists from different countries respond differently to terrorism crises (Seddighi, Nuttall & Theocharous, 2001; Eugenio-Martin et al 2005), but the ones less deterred from tourism may be more sensitive towards a strong currency (Davies, Personal Communication, 2007).

Travel behaviour and the way in which they respond to a crisis award the tourists, in their capacity as consumers of the tourism product, a significant power in the network of tourism governance. For the strategies for recovery developed by the industry and the various levels of government will be designed to normalise the tourism flow and the visitor experience.

Visit Britain noticed a number of cancellations or postponement of trips, with most inquiries about the logistics of travelling, after the first attacks (Frisby, 2005). Both overseas and domestic visitor numbers decreased in the aftermath of the terrorist attack. In Figure 4.2, the dotted line representing the July bombings depicts a relatively gentle decrease for foreign visitors after the bombings in comparison with the sharp fall of UK residents visiting London, as depicted in Figures 4.1. To monitor the impact on visitor numbers and revenues from spending, TIER in cooperation with the London Development Agency and DCMS, commissioned a report on the economic impact of the bombings and found that the UK lost £700 million, of which 550 million was lost to the London economy (Donoghue, Personal Communication, 2007). This research also pointed out that the international tourism market would recover quicker than the domestic market, which was proved to be the case (TIER, 2005: 1). The straight line in Figure 4.2 clearly illustrates the recovery of the foreign visitors, whereas the recovery of domestic tourism took various phases and more time to restore pre-event numbers.

Figure 4.1: UK residents' trip to London

Source for both figures: TIER Final Report, 2005

**Figure 4.2: Foreign Visitors to London**

Interestingly enough, international tourists were less deterred by the risk for more attacks than the domestic tourism audience (Donoghue, Personal Communication, 2007). According to Donoghue, Davies and Beaumont (2007) this can partly be explained by the fact that international tourists understand that terrorism can happen in any country, in any city at any time. Moreover, Donoghue refers to the UK's good reputation in terms of Intelligence and Security services, as the country has gained much experience in dealing with domestic terrorism for over 20 years (Donoghue, Personal Communication, 2007). American, Japanese and near European school tourists such as those from Germany and France appeared to be the exceptions to that rule and a significant decrease in their visits was noticeable (Donoghue, Personal Communication, 2007). Seddighi (2001) writes: "... perceptions of prospective holiday makers are determined by a synthesis of information flow which comes from the word of mouth, media and government policies. This information is utilized by prospective holiday makers during the determination of the perceptual pattern/image for a particular destination. The destination choice therefore depends totally on the positiveness or negativeness of the perceptual patterns of holiday makers towards a particular destination." Further research on the July bombings could

examine the information and communication flow to the various countries in order to see which tourists responded to what kind of message.

4.3.1 Risk, probability, the perceptions of tourists and the travel plans they make

Compelling evidence shows that the serial character of the bombings has a strong effect on how people perceive risk and on the travel decisions they make. Table 4.3 clearly illustrates that the second bombings intensified the effect of the first attacks. It also shows that the indications of recovery immediately after the 7/7 attacks were soon overtaken by the clear setback after the second wave of incidents on 21/7.

“Most of the indicators monitored showed some bounce back in the week immediately after the 7/7 attacks but that rebound was more than reversed by the 21/7 attacks. These triggered fears that London was being subjected to an on-going campaign, rather than facing a one-off event, thereby exacerbating the impact and extending the recovery phase back to pre-event levels” (TIER, 2005: 3).

Apparently, it is not only the event that makes people associate a destination with risk. Also the probability of a next terrorist attack deters people in deciding to visit the attacked destination (Seddighi, 2001: 182; George, 2003). People tend to take risk-adverse decisions and the perception of a particular destination and the connections made with it are of enormous decisive in the travel plans they make and bring into action (Holton, 2004; Seddighi et al 2001).

Table 4.3: Development in time indicators

Source OEF/Visit Britain Final report on 7 July bombings, 2006

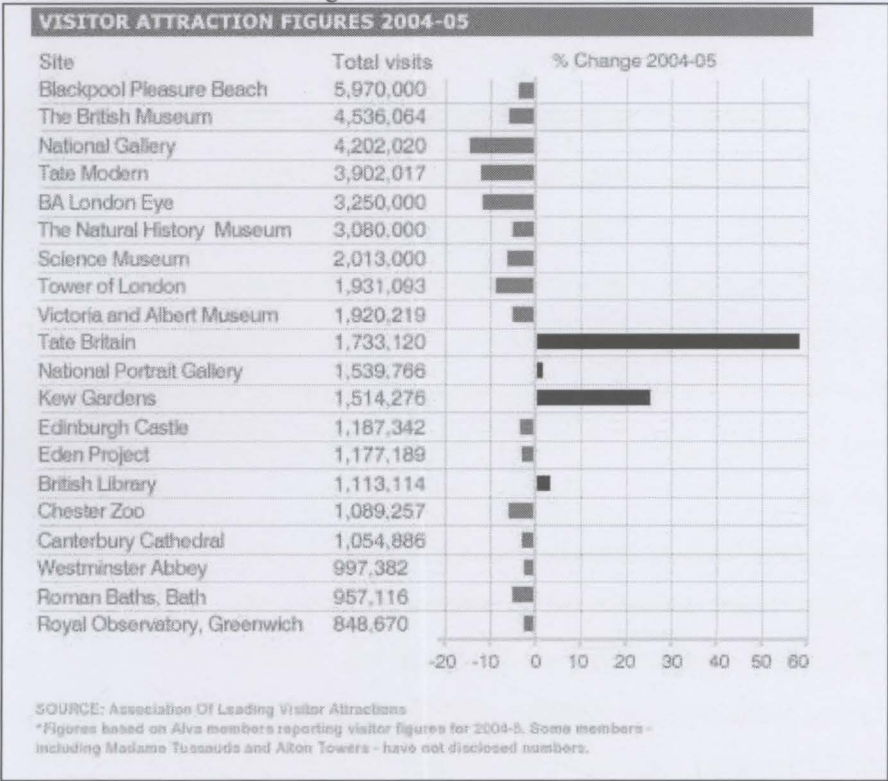
Table 2: Developments in time indicators (%yoy)									
	June 2005	3 Jul	10 Jul	17 Jul	24 Jul	31 Jul	7 Aug	14 Aug	21 Aug
BLVC enquiries									
Walk-ins	8.3%	1.1%	-10.2%	-12.4%	-11.1%	-14.6%	-18.8%	-26.4%	-25.1%
Total	6.7%	-0.3%	-11.0%	-13.6%	-12.5%	-15.4%	-19.1%	-26.3%	-25.6%
London hotels									
Occupancy	1.0%	-	-5.4%	-5.8%	-4.0%	-6.6%	-13.0%	-10.4%	-16.2%
Room rates	4.5%	-	7.3%	-3.0%	-6.2%	8.3%	2.9%	2.7%	3.2%
Room yields	5.6%	-	1.5%	-8.4%	-9.9%	1.0%	-10.4%	-8.0%	-13.5%
Visits to:									
Museums	-2.9%	1.6%	-29.3%	-24.6%	-15.8%	-23.1%	-25.0%	-24.7%	-30.4%
Royal palaces	-1.3%	-0.4%	-10.9%	-13.2%	-15.5%	-20.6%	-21.8%	-19.7%	-25.8%
1-day travelcards	-6.5%	15.6%	-33.4%	-28.8%	-37.6%	-30.9%	-25.1%	-24.1%	-23.6%
London theatres									
Attendances	16.2%	6.6%	-6.1%	0.5%	-4.3%	0.6%	-1.1%	-	-
Revenues	32.0%	18.6%	8.9%	14.9%	-1.2%	15.5%	11.9%	-	-

4.3.2 Displacement effect of domestic tourism

The principal market lost to London due to the two sets of bombings included the domestic market, families and day visitors to London in particular. Nearly one in three adult Britons were not travelling to London in the wake of the July bombings. The tourists that avoided the capital went to other places instead and caused a displacement effect, as shown by Table 4.4. Regional attractions and seaside resorts were reporting an increase in holiday trade as domestic tourism was moving out of the capital.

Table 4.4: Displacement effect

Source: Association of Leading Visitor Attractions.



The reported facts clearly show how the July bombings caused a tourist crisis in terms of tourist consumption and how the serial character intensified the effect on tourism industry’s revenue.

Unlike the quantitative focus taken in this discussion thus far, the following section analyses the qualitative impacts on the relationships between the various parties of tourism governance in terms of cooperation, coordination and communication.

4.4 The effect of the July bombings on the linkages between different levels of government and the relevant stakeholders

The previous chapter described how 2001 was a milestone in the history of the UK tourism sector and how during that year horizontal and vertical networks were established between the parties of tourism governance, leading to a closer cooperation between the various levels of government and the industry. This was the year during which the government and media realised the importance of the sector and a new policy infrastructure was established to support the sector's ability to handle the effects of crises (Donoghue, Personal Communication, 2007; Tebje, Personal Communication, 2007; Janson, Personal Communication, 2007). Currently, tourism is a ministerial responsibility, whereas before an under-secretary of state was accountable for the sector (Donoghue, Personal Communication, 2007). Tourism has climbed the ministerial ladder since the crises of 2001. Evidently, the overall impact of the July incident on tourism governance is inextricably bound with this legacy (Donoghue, Personal Communication, 2007; Tebje, Personal Communication, 2007; Janson, Personal Communication, 2007).

4.4.1 Effects on top level: The Department for Culture, Media and Sport and the tourism policy environment

As set out in the analytical framework in chapter 2, top level horizontal networks between the Department in charge of tourism and other departmental organisations, in this instance TIER, the Select Committee for Tourism and the All Party Group, are characterised by communication and cooperation with the aim of fostering a prosperous environment for rejuvenation, visitor management and re-branding of tourism. It is found that the internal organisation of DCMS was not affected by the bombings. Janson explains: "There is basically very little to no relation between the bombings and the relation between DCMS and the Select Committee Group and the All Party Group. They have all separate roles and the July bombings have not affected those roles" (Janson, Personal Communication, 2007). For DCMS and TIER the July bombings intensified the

existing linkages that are maintained through daily tasks without altering the nature of the horizontal networks between them.

Vertical networks connect various levels of bodies in tourism governance and are established by relationships of coordination. For business leaders many new linkages were forged with the DCMS via the coordinating role of TIER, and existing linkages were strengthened with the local government agencies. Between the Mayor's office, the London Development Agency, the Regional Development Agencies and the industry leaders, an intensive vertical networking action was established. These vertical networks between them make a two-way communication and information flow possible whereby both parties notify each other of policy issues raised or policy initiative taken by the government.

The business community and the local government made market information available which, combined with the results of the research of TIER, was used by the DCMS to monitor the crisis, to develop short and medium-term strategies and to coordinate the activities to effect the recovery plans. From the consultation with TIER and organisations such as the British Tourism Development Committee and Tourism Alliance it became clear the sector needed short-term actions to overcome the crisis. This consultation process was crucial, as it enabled the sector to evaluate and assess the effects and to develop strategies for recovery.

“The organisations were able and brought some money together to do research on the impacts and recovery rates so that was used to inform the government and to tell the industry what was going on. So in that respective, government agencies and the industry's coordination partnership improved remarkably” (Janson, Personal Communication, 2007).

Blake and Sinclair (2003: 817), whom have explored tourism crisis management in the United States after September 11, argue that immediate government response is crucial for the survival of tourism producers. They state that “directing subsidies to the sector that is most severely affected by the crisis is the most efficient policy response in terms of both GDP and the total number of jobs saved. The case of the July Bombings confirms

this finding. As a result of the lobby work of the organisations, this strategy of short-term actions was followed and the DCMS liaised with Customs and Revenue to assist the businesses affected by implementing a relief on taxation and VAT payments in order for businesses to maintain a cash flow (Janson, Personal Communication, 2007).

Even though the relevant parties perceived the vertical cooperation as being successful, it was found that the relations cooled down and settled back to what they were prior to the bombings. Currently, only 3% of the entire DCMS staff works on tourism. It could be suggested that this under-representation of tourism in the activities of DCMS is linked to the fact that no permanent strengthening of relations could be achieved, simply because there is no workforce available to liaise and meet up with the business industry more regularly. In that regard, Janson states:

“Considering the role of DCMS getting messages across to other government agencies and to the industry [...], there has not been any change or increase of resource or personnel, or any initiatives of the DCMS to make the tourism industry more resilient and prepared for future events.[...] Much of the legislation that affects tourism lies outside the remit of DCMS and so we rely on DCMS to be our champion across Whitehall [...]. What we suggested is that DCMS would put more resource into staffing levels for tourism” (Janson, Personal Communication, 2007).

The lack of legislative power of the principal policy-making body for tourism causes frustration for the industry and local government agencies (Janson, Personal Communication, 2007; Tebje, Personal Communication, 2007). As discussed in Chapter 1, both Hall (1996) and Elliot (1997) point out that even though the government department responsible for tourism may have power over tourism as legislative body, it is usually the general policy made by more powerful departments that is decisive for the sector. The July bombings seem to illustrate this observation by Hall and Elliot.

Many representatives of the tourism industry are not convinced by the approach of the DCMS towards tourism, which is currently a ‘soft’ cultural inclusive approach, and would prefer a more business orientated approach (Janson, Personal Communication, 2007). Sabatier (1999: 3), as discussed in the analytical framework in chapter two, claims

that the process of policy making includes the way in which problems are approached, conceptualised and are brought to the government for solution.

The case of the July Bombings seems to elaborate on Sabatier's finding and demonstrates that the approach and conceptualisation of problems also have an impact on the nature of the horizontal and vertical networks between the bodies of tourism governance. For the approach taken by the DCMS determines with which bodies in tourism governance the linkages are established and intensified. Consequently, one may suggest that the relationships and networks with tourism bodies that were established and intensified would have been differently if the DCMS had a more clear business approach when the bombings occurred. Janson, Personal Communication (2007) argues that the needs of the sector would possibly be better served within another department, such as the Department of Trade and Industry. Currently, tourism tends to be linked with the other internal responsibilities of the department, such as culture and media and to a lesser extent sport (Janson, Personal Communication, 2007; Weed, 2001). This department internal focus may be useful, especially now with the Olympic Games coming up, but the priorities lay elsewhere (Janson, Personal Communication, 2007; Tebje, Personal Communication, 2007). If tourism would be hosted by a powerful department, no doubt the effects would be noticeable in the policy and legislative outcomes, as well as in the general shape of the industry and the relationships between the various parties involved in tourism governance.

Plans to reinstall a Cross-Whitehall Working Group of ministers, resulting from the consultations between the DCMS and the industry in the aftermath of the July bombings, could respond to this current shortcoming of DCMS. The collaboration between the various departments could raise an awareness of the great importance of the tourism sector as a whole, as well as its potential for other industries. More importantly, during times of crisis the DCMS would be in a stronger position to address the interests of the tourism sector regarding issues over which it has no legislative power. This initiative is "a good example of joined-up action and thinking within government on tourism" (Donoghue, Personal Communication, 2007).

The plan for a Cross-Whitehall Working Group of ministers is a contra-example of Weed's findings, namely that one of the major issues for the tourism policy community is the extent to which they can insulate themselves from other more powerful policy areas (Weed, 2001: 135). Rather than insulating, the DCMS collaborates with other policy communities in order to increase its influence on the legislative powers for tourism issues. By doing so, it demonstrates clearly how 'network' policy promotes horizontal tourism coordination between different government agencies, as discussed in the analytical framework in Chapter 2 (Hall, 1999: 277).

4.4.2 Effects on regional and local government in the greater London area

Historically, London has developed strong coordination and cooperation between the tourism parties on local level of tourism governance. In contrast with other local governments, London has a statutory responsibility for tourism. The most important agencies are described in the table 4.5. There is a history of relatively close horizontal networks between the mayor, local government agencies and the public and the private sector. This fact is reflected in the tourism networking capability of the London area today. London seems to demonstrate the statements of Prater and Wu (2002: 50), who found that the local government played a greater role in response and recovery in decentralized systems than the centralized departments of a country. Unlike the DCMS, the networking capacity of the regional and local government agencies show to have been affected by the July bombings.

“Where there has been much greater degree of cooperation and coordination comes down at the industry body and industry level. The level where you have Visit Britain, Visit London and LDA. The local government agencies, that has improved” (Janson, Personal Communication, 2007).

Table 4.5 An Overview of the most important Local and Regional government Agencies.

Source: www.tourismnetwork.org on 13/04/07

Greater London Authority : Is the strategic citywide government for London. It is made up of a directly elected Mayor - the Mayor of London - and a separately elected Assembly - the London Assembly. There is around 600 staff to help the Mayor and Assembly in their duties. Its main responsibilities are transport, policing, fire and emergency planning, economic development, planning, culture, environment and health.

London Development Agency: The LDA is an executive body that is responsible to the Mayor for the economic development of London. The Mayor has devolved responsibility for the delivery of the Mayor's Plan for Tourism and the Action Plan to the LDA. The LDA provides a substantial grant to Visit London for the promotion of London.

The LDA has responsibility for planning and coordinating the public sector response in the event of a crisis that could affect the tourism industry in London. During crises the LDA sets up and runs a coordinating group with all of the main partner organisations. The group discusses all recovery activity and the use of emergency funds.

Visit London: Visit London is the marketing agency for tourism in London. Its aim is to promote London as the world's most exciting city by marketing the city to domestic and overseas leisure and business visitors, as well as Londoners themselves.

Visit Britain: VisitBritain is the marketing agency for the whole of Britain with a network of offices overseas. These offices promote travel to Britain and run PR and advertising campaigns in over 30 countries.

Many small and medium-seized businesses were not able to survive after the crises of 2001, mainly because they had no crisis management systems implemented but also because there was no coherence across the sector to gain support from (Tebje, Personal Communication, 2007). The local agencies are found to be extremely important in centrifuging the activities of the numerous small and medium-seized enterprises and of the plethora of trade associations, often involving sub-sectoral activities. By generating horizontal networks the agencies counteracted the fragmented character of the sector and increased the cooperation and communication on the local level of tourism governance (Tebje, Personal Communication, 2007, Janson, Personal Communication, 2007). This means that the industry itself is more able to set up realistic targets and is provided with better communication channels, which allows for liaison across the industry. After the July bombings, the local agencies have made resources available for small and medium-seized businesses. It has mapped experiences of businesses and made the information freely available for other players in the business community, by which a process of 'shared learning' had been established (Tebje, Personal Communication, 2007).

Local and regional government agencies thus take up a prominent role in the coordination, communication and provision of free access to information for businesses. The ultimate result of this work is that the activities, the targets and the interests of the business industry become more aligned allowing the industry to speak with one voice when lobbying with the DCMS.

The government at local and regional level has been able to consolidate its status as 'communication junction' between the DCMS and the industry, thereby generating valuable vertical networks. It provides a two-way communication channel through which DCMS gains information from the stakeholders and through which the stakeholders can represent their business cases more strategically.

With the focus on policy and strategy development for the DCMS, local government agencies function as a valuable tool to gain information from the practitioners in the industry. Moreover, the information DCMS receives, has already passed the filter of local government and tends to represent the industry in a coherent way. Local government provides a front line service and assists and advises the business community in lobbying. In a second stage of the communication process it passes the information to DCMS, often provided with background information of the industry to put the lobby work into context.

On the other hand, the local government enables the small and medium-sized enterprises and various trade associations to bundle their statements into a sensible and well-motivated business case, whereby they can make clear why they need resources and how they think what they do is the best for customers and other stakeholders (Tebje, Personal Communication, 2007). The chances of receiving the attention and a positive response from the DCMS increase when the case is presented by the local government agencies, who work closely together with the DCMS on a daily basis.

The local and regional government work within a highly fragmented industry and, therefore, it is relatively easy to guide the industry in the direction they provide. Local government is also identified as the driving force behind the development and

implementation of crisis management and contingency plans on industry level. By providing technical, administrative and strategic support, local government allows small and medium-sized businesses to prepare themselves better for future events. This would have been impossible without support from these governmental bodies.

The achievements of the local and regional government in dealing with the July 2005 bombings confirm the findings of Bramwell and Yüksel (2005), as described in chapter two, that the sub-governmental level in tourism governance is gaining importance rapidly. Tebje states (Tebje, Personal Communication, 2007):

“From a small business perspective, I would say that the boundaries have blurred through the work that the LDA and the GLA do, they represent the London Government. So, we interact more with local government than we do with central government and that will be so across the industry. If those structures weren’t there, and they are only recently there, then there would be a cavern between ourselves and the central government [...]. They [the Mayor of London, the GLA and the LDA] interact more with stakeholders than anybody else. That’s a big improvement.”

Also Ritchie’s findings that the process of devolution and of ‘blurring boundaries’ is stimulated by the spontaneous actions taken by the local level in crisis recovery is applicable on the impacts of the July crisis on tourism governance (Ritchie, 2003).

4.4.3 *Effects for the business community*

Strangely enough, one of the values of the bombings for the tourism sector seems to lie in the fact that the heart of the industry was hit. Unique in the fact that the explosions occurred in the capital, the July bombings represent the first incident that brought the major players in the business community and the government together for crisis monitoring and assessment.

The linkages between the regional and local government and the industry form the

corporatist part of the network are primarily motivated by financial interests, as discussed in Chapter 2 (Dredge, 2006). The entrepreneurial approach of the government agencies accelerates the formation of linkages with, as well as amongst the private sector (Hall, 1999:275). It was found that the July bombings increased the collaboration at industry level and its influence on the local government. This means that both horizontal and vertical networks were intensified.

The business community has become aware of the need for horizontal networking, which means that there is a stronger commitment to share information and experiences, to set up crisis management and contingency plans collectively. Horizontal networking can counter the fragmented character of the industry level, which makes it extremely vulnerable to unexpected attacks. It was found that there were a growing number of initiatives taken by the industry itself to increase cooperation on industry level.

As discussed earlier, Greenwood (1993: 336) warns that difficulties to speak coherently are almost experienced in each tourism market, as its cross-industrial character comprising a number of sectors rather than an industry itself consequently creates difficulties for it speaking in one voice. Leaving the impediments that arise from the nature of the tourism industry aside, networking on the level of the industry seems to be one of the best strategies to generate more coherence. It may lead to stronger alliances and collaborations between private groups who share the same interests and the businesses that they represent (Tebje, Personal Communication, 2007). Donoghue (2007) states: “ [T]he result of crises and other things [is] that subsectoral and sectoral groups are becoming better at representing their own interests and making tourism look and seem and act in a more coherent manner.” The increasing numbers of initiatives stemming from the private businesses and interests groups indeed seem to indicate a growing tendency for self-discipline and cooperation spirit, which will eventually make tourism producers as a lobby group more powerful on the long term (Greenwood, 1993; Tebje, Personal Communication, 2007).

The horizontal networks have had a beneficial impact on the vertical networks. It was

especially the cooperation to generate market information, a result of the tightened horizontal networks that was found to have a great impact on strategy and policy making up to the highest level in DCMS. The DCMS commissioned Visit Britain to do market research so that they could get an understanding of the trends and patterns at industry level before recovery plans were developed. Evidently, the industry as a source of information is a locus of power.

London is one of those tourism destinations that Sönmez et al. (1999:13) describes as vulnerable to politically motivated violence and should therefore incorporate crisis management planning into their overall sustainable development and marketing/management strategies. Crisis management should then include planning to protect and rebuild their image of safety and attractiveness, to reassure potential visitors of the safety of the areas and to re-establish the area's functionality and attractiveness. The July bombings were a wake-up call for the tourism businesses to raise their resilience by developing crisis management plans. The London Development Agency encouraged and supported this idea. Within the industry itself many private interest groups such as Tourism Network and Tour East London, are aware that a stronger coherency between the tourism practitioners will put the industry in a better position to recover from terrorist attacks (Tebje, Personal Communication, 2007, Janson, Personal Communication, 2007).

Small and medium-seized businesses may be aware of the need to link up with other businesses and the need for crisis management. However, they often lack the resources to do so without help from higher up. The links created with the regional and local government enable businesses to dedicate time, resources and staff to networking and crisis management.

“The London Development agency is trying in the best way to get the businesses consider contingency planning, disaster planning, risk assessment, all those awful things little businesses have never time to do. But it is certainly more on the businesses' agendas that it is an important part of their survival, to get their own houses in order. So I would say a lot of good has come out of that and a lot of practical help is available now for businesses” (Tebje, Personal Communication, 2007).

4.4.4 *Effects on the voluntary sector and the civil society*

The pluralist part of the network consists of a social and political heterogeneous constellation of parties that aim to materialise a particular value of interest outside the for-profit sphere (Greenwood, 1993: 410; Shaw & Williams, 2004: 46). Tourism is seen as a social sector that appeals to the interests of local communities and provides the opportunity for their active involvement (London Resilience Report, 2006: 15). The third sector is thought to have a crucial role in the tourism sector and probably will become more important as the sector gets more organised and coordinated (Tebje, Personal Communication, 2007; Janson, Personal Communication, 2007 and Donoghue, Personal Communication, 2007).

In the early hours after the bombings, the third sector played an important role on the site of the explosions. This involvement was coordinated by the London Regional Resilience Forum Voluntary Sector Sub-committee, which consists of the voluntary agencies involved in emergency response in London (London Resilience, 2006:15). Key players included the British Red Cross, the Salvation Army, St. John Ambulance, Disaster Action, Cruse Bereavement Care and Victim Support. The vertical network linkages between the various levels of government and the voluntary sector improved significantly after the signing of an official protocol that acknowledged the partnership between emergency services and voluntary organisations in times of crisis. The Minister for Local Government and Community Cohesion thereby involved the third sector officially in emergency planning as a direct result of the experiences of the July bombings. This achievement is expected to have a great impact on the short-term response in future attacks (London Resilience, 2006:15).

At a deeper level one can state that the dynamics within the civil community have changed since the July bombings. Thereby the need for the civil society to form partnerships within the communities it consists of, as well as with the government and industries has increased drastically. In that regard, tourism appears to be a partner for countering terrorism by strengthening the social capital of communities.

The Metropolitan Police Authority's report on the project 'Counter-Terrorism: The London Debate' demonstrates how horizontal networks within the civil society and the tourism industry as well as vertical networks with the tourism government agencies arise through the experience of terrorism (Metropolitan Police Authority, 2007).

The London society plays a crucial role in countering the terrorism threat and preventing radicalisation (Metropolitan Police Authority, 2007: 3). The communities need to reflect on the leading perceptions in the UK about terrorism and the hatred attitude these often lead to. In relation to this, the project also addresses the irresponsibility of the UK press, the divisive and sensational way of covering issues and the damage they cause to the community by creating a climate of Islamophobia (Metropolitan Police Authority, 2007:4). Besides young people, Local Government, business, faith groups, women, Asian men, the police and government, the tourism sector was identified as one of the sub-sections of London society that matters in counter-terrorism, (Metropolitan Police Authority, 2007: 13). Seddighi et al (2001) emphasises the importance of an approach founded in the acknowledgement that tourism is embedded in a human society and is sensitive to the broader tendencies that exist during a specific period in a specific region.

Perceptions fed by the media, fear for terrorists as well as reassertion of religion, solidarity between religious communities and a great motivation to counter terrorism, all have an effect on the way social groups act in public life. It is found, for example, that a great solidarity exists between Islamic worshipper and those from other Asian beliefs since they suffer from stigmatic repercussions concerning their religions. Muslim women groups urge for more participation in consultations held by the government and organise themselves more decisively. These are just two examples of how new networks amongst the community are changing and mutating under the effects of the ubiquitous theme of 'terrorism.'

As discussed in chapter 1, Sanders (1981) argues that political instability is an inherent condition of each political system since each system is continuously challenged by the

actions of its civilians; its regime or its government gains great importance at this stage. At some moments, he says, challenges evolve to observable political events and make the political system move closer onto one side of the political instability-stability continuum. The dynamics within the civil society after the July bombings appear to be divergent, ranging from racism and Islamophobia towards great solidarity and the decisive participation of new social interest groups. The civil society seems to divert into both directions from the continuum as instability generates greater stability amongst some of the communities.

Tourism can synchronise with these social phenomena and give communities a platform to act from in the strive for more social capital. The project's plan is to make tourism a tool for counter-terrorism. On the other hand, the counter-terrorism project is also a tool for the tourism industry to develop a 'London prepared for business' dynamic. Muslim-themed tourism tours that demonstrate that the Muslim community is a cultural rich part of the UK might appeal to travellers from the Arabic countries as well as to domestic tourists (Janson, Personal Communication, 2007). The further consultations between the triangle of local government, the tourism industry and the civil community will determine what is realisable. This approach concurs with Richter (1983:323) as she writes: "Studies of the political culture, knowledge of opposition groups, and information about political stability may be of critical importance in assessing the vulnerability or appropriateness of tourism development in a given region."

How the partnership is going to be realised is still not outlined in detail yet. The project explicitly emphasises the long term character of its approach and is rooted, unlike most crisis management reports, in a profound understanding of the effects on communities and the partnerships that may derive from that. It is already clear that much effort has been done to make this partnership work and that the foundation for further developments has been laid.

4.5 Conclusion

The overall conclusion of this discussion is that the July bombings had a considerable impact on the horizontal and vertical network linkages between regional and local government and the business community and private interest groups. It was found that the generation of a regional and local understanding of the effects of the bombings conducted by the government agencies was very useful for the government's strategy development towards the market, as well as for the market's ability to make strategic decisions. Firstly, the free access to a multitude of market information, insights into patterns and tendencies of the market's recovery and the tourists' response to the bombings made it possible for the industry to develop realistic targets. Secondly, this linkage enabled the business community to present their interests more coherently when lobbying with DCMS or other sectors and industries. The tourism industry is found to experience difficulties in speaking with a unified and coherent voice, which is a result of its fragmented character. The stimulation of the local government, especially in the aftermath of the July bombings, helped small and medium-sized businesses to devote resources to networking and crisis management.

Initiatives taken within the business community demonstrate the improvement of coordination from the industry's corporatist part. By representing trade organisations and businesses more systematically, business cases are made convincingly. Janson, Personal Communication (2007) states: "There is now a much greater understanding and a much greater willingness from the LDA and the Mayor's office to become involved in tourism and that's helped things like the Tour de France and promoting it. And that worked quite well."

Lastly it was found that the linkage between the business community and the local and regional government also benefits the rather poor linkage between the business community and the DCMS. Local and regional government function as a junction for communication.

There are some short-term effects between the various levels of government. The relation during the consultation period immediately after the bombings was characterised as open, frank and honest. Throughout the July bombing crisis TIER has proved to be a very effective tool for networking, coordination and consultation. The bombings have generated a partnership between the voluntary sector and the emergency services. The changing dynamics within the society have raised the need for tourism to be part of a social-capital building effort to counter terrorism.

Chapter 5

Conclusion and recommendations

Summary of Findings

International terrorism is a phenomenon, which seems to becoming a permanent fixture of the global political landscape. At the same time, income from tourism has become an important contributor to the coffers of the UK government. As a result, parties involved in tourism governance are faced with a grave predicament, because of the threat posed to the prosperity of the sector by terrorism. This thesis set out to explore the effects on tourism governance. The goal was to examine whether the cooperation between the various parties in the aftermath of the July bombings provided scope for long-term partnerships and ‘joined up’ government in order to create greater resilience against possible future attacks.

5.1 The need for a conceptual framework that is able to align the studies of tourism and terrorism

Chapter 2 provides a background against which the entangled nature of tourism and politics may be contextualised. It was found that tourism is inextricably intertwined with socio-political forces.

In the event of the occurrence of a terrorist attack in a politically unstable environment, events in the political sphere usually have a knock-on effect on the tourism sector, if it is assumed that tourism cannot be counted as one of the causes of terrorism. However, it was found that tourism itself may possibly contribute to a climate in which terrorism thrives by creating discourses and perceptions which seem to glorify Western consumerism. Economic and political freedom and the material privilege and mobility of the tourist may all be factors which possibly contribute to terrorist attacks. These characteristics stand in sharp contrast to the issues of refugees, migration and economic

and social deprivation that many citizens in tourism destinations experience on a daily basis. The study thus revealed that tourism and terrorism are not isolated facts. This is not only true in the sense that terrorism negatively impacts on tourism, but is evident in the influence the two phenomena may have on each other at a more fundamental level.

Yet, the majority of the current tourism literature that deals with political instability and terrorism show a lack of substantiated conceptual frameworks to acknowledge this apparent relatedness. Political instability is usually identified by its effects with no reference to the dynamics within the political system, which affects tourism. Furthermore, it was found that the studies on the effects of political instability usually focus on tourism demand, spending little attention to the network of policy-making bodies and the relevant stakeholders. This institutional network is important to the future of the tourism sector as it will determine the shape of the sector and its ability to deal with the effects of future attacks.

In attempting to align the studies of terrorism and tourism, it was found that an in-depth conceptualisation framework was needed to cover the core issues of both phenomena. Four steps lead to a conceptualisation of political instability and terrorism. This conceptualisation allows one to switch between the two phenomena in the study of the linkages between tourism policy-making bodies and the relevant stakeholders.

5.1.1 The inevitable inequality of social arrangements causes political instability to be an inherent feature of every society

Each society is constructed upon social arrangements which refer to the organisation of and structures in the political system. These are thought to be shaped by the interplay of collaboration and competition between the social interest groups. These groups are considered to be the building blocks of the society and the source where individuals gain their interests, values and beliefs. These values are then reflected in the political agenda (Stewart, 2001; Narayan, 1999). In each society some groups will be more adept at enforcing their interests on the public realm than others. Thus, political arrangements have their shortcomings when it comes to reflecting the demands and interests of the

various groups in society. Some degree of ‘horizontal inequality’, which refers to the difference in political power between the social interest groups, is a common phenomenon. This leads to the conclusion that every society has a degree of political instability.

5.1.2 Political instability and political stability can be understood as the opposite ends of one continuum

By moving away from a ‘black-white’ or dualistic understanding of political instability, an alternative understanding allows theorists to place political instability and stability at two ends of one continuum (Sanders, 1981). Following Sanders, political instability is an inherent condition of each political system since each system is continuously challenged by the actions of its civilians, its regime or its government. At some moments, these challenges evolve to observable political events and make the political system move closer onto one side of the continuum, the so-called ‘political instability’ side.

5.1.3 When political instability occurs there is a change in, or a challenge to, the arrangements of a political system by one or more social interest groups

Political instability can be understood as the attempt of one or more social interest groups to bring about a *change in* the arrangements of a political system, or a *challenge* to one or more elements of the system itself, i.e. the authority, the regime, the political community in the hope of bringing about another political system. (Sanders, 1981: 59). These changes may express itself as instability in the executive government and/or in the political community, and is referred to as so-called socio-political instability.

5.1.4 Terrorism is one of the many variants of socio-political instability.

As a phenomenon political instability may express itself as instability in the executive government and/or in the political community (Alesina & Rodrik, 1994: 15). Terrorism is a form of the latter (Seddighi et al 2002; Pizam, 1999).

Terrorism has an important international component. Terrorist attacks are often inspired by international politics and the double standards that are used to measure international behaviour of super powers and developmental states (Bianchi, Personal Communication, 2007). There is often also an important domestic component to terrorism. For many governments, 'home grown' terrorists or terrorists born in the country they attack is a worrying aspect of terrorism. In the case of the July bombings all of the bombers were born in the UK, brought up in the country and resided there at the time of the attacks (Intelligence and Security Committee, 2006). The UK and London in particular is very cosmopolitan, which results in a contest for power that has its roots in international politics, but manifests itself inside the borders of the country. The socio-political instability so becomes apparent at the level of interest groups consisting of UK nationals. Thus, for UK terrorism the theory about social interest groups within a nation's political community seems to be applicable. This allows one to interpret the July bombings as an attempt by radicalised members of the Islamic social interest groups to bring about a *change in* the arrangements of the British political system. In this fashion the authority, the regime and the political community of the UK are challenged. The democratic and Western hegemonic values it stands for, is interpreted by the bombers as violating the interests of the Islamic community.

5.2 Current trends in tourism governance

Chapter 2 provides, within the framework of the network paradigm, an overview of the parties covered in this study and the dynamics between them. It was found that the structure and the nature of tourism governance are currently changing. Coordination, collaboration and partnerships, embodied in vertical and horizontal networks between parties of tourism governance, have been transformed in order to meet the new conditions that have arisen in the tourism industry. It was found that these new conditions are characterised by the for-profit involvement of the business community balanced by issues lobbied for by not-for-profit stakeholders in the tourism sector.

In terms of power it is shown that the authority of the state has devolved towards local

and regional government agencies. With the shift towards the local level, the consultation with, as well as the representation of the interests of the business community, the voluntary sector and the civil society are becoming more prevalent in tourism governance. The *network* paradigm clarifies how the set of connections and interactions between the all-level regulatory agencies and industry-level parties bring about consolidated linkages that feature the distinctive input of each party.

The current evolution from a top-down government to a more participative mechanism of governance contributes to the formation of a 'joined-up government.' It has been suggested that a 'joined-up' type of government are effective in making a tourism sector more resilient and more efficient in times of crisis management, on the condition that the government tradition and history of the sector allow this.

It is found that there is a strong trend towards a 'joined-up' government in the UK, and in the greater London area in particular. DCMS is important for coordination, especially in the embodiment of TIER, but the lack of resources, business acumen and credibility from the industry as well as from other government departments restricts the department in taking up its leading role appropriately. The locus of power is found shifting downwards to the regional and local levels of government, which through the July bombings have consolidated their position as communication junction between the DCMS and the industry. The local and regional government have an aligning impact on the industry and thereby counter one of the greatest weaknesses and barriers of the tourism sector, namely its fragmented nature. Being the driving force behind crisis management and contingency planning local and regional government will get an even stronger voice in future, should the industry face another crisis, whether it stems from terrorism or climate change.

Together with the local and regional government the private sector is increasing its influence on strategy and policy making in its capacity as the prime source of information. The business community has become aware of the need to cooperate internally, as well as the need to cooperate with local government to lobby and make its interests known to local or top level government. The private sector is currently still quite

fragmented, but the crises of the last five years, developed a strong incentive to cooperate more.

Lastly, the involvement of the civil society in countering and responding to one of the greatest challenges of the tourism industry, namely terrorism, may indicate that there is a growing interest in the potential of the voluntary and non-for-profit sector. There are reasons to expect that these groups will obtain greater involvement in tourism development, tourism strategy and policy making by the exertion of their dichotomous role: on the one hand, one sees them scrutinise the current tourism programmes for an under-representation of their interests, whereas on the other hand they provide expertise and help in developing tourism products and strategies that appeal to the needs of the social interest group and the civil society as a whole. The July bombings have contributed to this trickle effect and to the development of a 'joined-up' government with a limited leading role for DCMS. There is also the greater importance in the network at industry and local government level and a fast developing role for the civil society and voluntary sector.

The trends in governance will be determined by the resilience of the tourism. During the last six years, largely driven by the three crises as motors for change, the upcoming 'joined-up' government has already shown evidence of better preparedness for major tourism crises at government and industry level. The fragmented nature of the sector and the insufficient legislative power of the DCMS and its lack of business acumen have been identified as the main obstacles in making the tourism sector more resilient to crises.

The ministerial Cross-Whitehall Working Group arouses hopes for a stronger legislative framework that is able to better cope with the challenges of terrorism attacks and climate change disasters. Bringing tourism in contact with other departments will hopefully inspire DCMS to regard tourism as an important revenue generating industry, or alternatively, to transfer the responsibility to another department that has more potential and resources to do so. The consolidation of local government, especially in the greater London area, combined with a more organised business community will eventually lead

to a better shaped tourism sector, which is more resilient because of its technical and strategic cooperation.

The crises that shaped the UK tourism sector have been both environmental and political in character. It was found that they contributed – despite their difference in nature – to the tendency of ‘joined-up’ governance in tourism. The short-term emergency responses and actions undertaken by the government, TIER and the industry, as discussed in Chapter 3 and 4, have been very similar thus far. The question remains, however, whether the long-term strategies, which aim to make the sector more resilient, are similar too. Does the source of the crisis at all matter for the tourism sector? Can a profound understanding of terrorism, as provided in Chapter 1, be constructive to tourism governance at all?

It was found that there were diverging opinions within the government, industry and the civil society. Some were convinced that it was not the role of the tourism sector to work towards changing the interests of social interest groups and factors contributing to radicalisation and counter-terrorism. Others believed that tourism, for the sake of its long term development and resilience, needed to understand and take account of the dynamics within the political system that lead to political instability and an environment wherein radicalisation thrived. Within the tourism literature certain commentators want to acknowledge the importance of the political environment in the activities of the tourism sector and its governance (Hall, 1996; Richter, 1996; Elliot, 1997; Ioannides & Apostolopoulos, 1999; Kim & Prideaux, 2003; Bianchi, Personal Communication, 2007).

The above discussion demonstrates that a partnership between the tourism and the civil society based on a deeper understanding of their relation and the mutual benefits they have to offer, can be fruitful. Pilot projects such as discussed above will demonstrate over time which partnerships are viable and valuable for a holistic long-term strategy. Possibly, they will be able to provide evidence that a relation between tourism and the dynamics amongst social interest groups goes deeper than short-term crisis management that deals only with the effects and not with the causes of political instability.

In the mean time, tourism has to take cognisance of the power of communication. As discussed in Chapter 1, tourism is inextricably linked with tourist perceptions, destination images and general messages that are globally spread. The message voiced by the media, depicting the UK as a terrorist-sensitive destination will have to be changed. Perception is all important and messages and statements to the press as well as to international tourism markets will have to be composed with the eye on a two-fold responsibility. Firstly, they have to promote the UK as a safe tourism destination to domestic and international tourists. Secondly, they need to counter Islamophobic perceptions which only stimulate further internal instability and has a polarising effect for UK nationals from non-Western origin.

With regard to the promotion of the UK as a tourist destination, it was found that both domestic and international tourists needed to be reassured about the UK as a safe destination. According to Hall and O'Sullivan (1996) the creation of a destination image is based on three elements: (i) returning tourists through word-of-mouth reporting, (ii) media reporting and image making, and (iii) government policies and interests. Seddighi (2001: 182) writes the following in this regard: "... perceptions of prospective holiday makers are determined by a synthesis of information flow which comes from the word of mouth, media and government policies. This information is utilized by prospective holiday makers during the determination of the perceptual pattern/image for a particular destination. The destination choice therefore depends totally on the positiveness or negativeness of the perceptual patterns of holiday makers towards a particular destination."

The above observations reveal that tourists are sensitive to the serial character of the bombings, and that tourists from different countries react differently to the attacks. Consequently, reassurance and country-specific communication after a first attack have shown to be crucial. Tourism marketers need to restore the confidence of tourists and counter the negative perceptions of the destination. The cooperation of TIER, DCMS, the local government and the industry has proved to be efficient in spreading coherent media lines stating what happened and what was done to reassure safety and 'business as usual.'

However, there remains scope for further expertise of the UK tourism sector in the composition and monitoring of post-attack communication flows within and outside the borders of the UK.

The tourism sector also has a responsibility towards the citizens of the UK, especially to nationals of non-Western origin. Government agencies, the tourism industry and the UK press and media need to be aware of the discourses they help create in spreading messages in times of attacks. The consequences of labels such as 'Islamic Terrorism' are far-reaching and lead to Islamophobia and tensions between social interest groups; all of which stimulates the processes of radicalisation and racism. Therefore, each party involved in spreading messages about the threat or the occurrence of terrorism should do so with an extreme sense of socio-political responsibility and constructivism.

5.3 Conclusion and prospects for further research

The July bombings had an asymmetric effect on the linkages between the policy-making bodies and the relevant stakeholders. The linkages at local level between the local government agencies, tourism businesses and the civil society in London were affected more and also more favourably by the incident. This stands in sharp contrast with the unaffected DCMS and the national policy-making environment as a whole. It was found that vertical networking across the various levels of government was efficient for coordination, whereas horizontal networking on industry level was valuable for generating information. In that regard, the July 2005 bombings behave according to the theories of the network paradigm.

The July 2005 case provides a valuable opportunity to elaborate on the findings of the network paradigm by demonstrating how the vertical and horizontal networks within tourism governance affect each other. For it is found that the improvement of the horizontal networks amongst business players had a beneficial impact on the vertical linkages of the business community with the various levels of government. The greater

coherency within the sector led towards a better representation and participation in policy issues with the local, regional and top level government. Also partnerships within the civil community led to stronger linkages with tourism business players and the various levels of government, as demonstrated in the project ‘Counter-Terrorism: The London Debate.’”

This has important implications for further research on the network paradigm in tourism studies, as well as for the applications thereof in tourism destinations that are sensitive to political instability, terrorism or other kinds of crises.

Firstly, it suggests that efforts at all levels may contribute to the development of other levels of tourism governance as well as the relationships between these. This means that tourism governance indeed is a network in the real sense of the word, and that the various parties involved have a vested interest in developing strong partnerships across the various levels.

Secondly, it offers an explanation why ‘joined up’ form of tourism governance tends to arise from crises, as suggested in the relevant literature (Eggers and Goldsmith, 2004, Prater and Wu, 2002). The July 2005 case clearly demonstrates how efforts on one level of tourism governance lead to the improvement of the linkages with the higher levels of tourism governance and vice versa. It is, then, a logical step to accept that the partnerships made in the early phases of recovery may consolidate in partnerships on the longer term. Especially when the partnerships on the various levels have a beneficial impact on the entire capability of the tourism sector to respond to the crisis, one can see how the total sum of partnerships can create a ‘critical mass’ that lead to the formation of a ‘joined-up’ tourism governance.

Thirdly, it suggests that the network paradigm, as analytical framework in tourism studies, is suitable framework that may be employed to generate fruitful insights and a deeper understanding of how tourism governance functions in times of crisis. Because the tourism industry is an extremely complicated industry to analyse, it is important to use an

analytical framework that is able to bear the complexity of the relationships between the various parties. The network paradigm has shown to be appropriate for studies of tourism governance and, therefore, allows one to suggest that also studies on tourism demand, tourism development in relation with other variables than terrorism could be conducted successfully within this analytical framework.

Based on the above conclusions, there is scope for further research in the following areas:

- The nature of tourism governance, the development of crisis management procedures and the general resilience of the tourism sector are especially important to create resilience to crises for destinations sensitive to crises. It will therefore be useful to further explore the implications of various types of tourism governance with regards to the way crises are responded to, particularly in terms of the relations amongst the various bodies and relevant stakeholders.
- There is an ongoing debate in the tourism sector whether the sources of terrorism and other forms of political instability may be significant in long-term strategies set out to make the tourism sector more resilient to the effects of political instability. It would be useful to invigorate the debate with new evidence showing if and how a more profound or structural understanding of the dynamics leading to phenomenon of terrorism and other forms of political instability, can be included in tourism development.
- Within the tourism literature, and based on practical experience, it is suggested that tourism as an industry contributes to the international conditions of insecurity and political instability. Further research is necessary that more thoroughly explores the role of international tourism in providing a forum for discourses and actions of terrorism and political instability.

- Tourists of different countries respond differently to the risk and occurrence of terrorism. The communication flow between the UK and the countries of origin of visiting tourists need to be customised in order to meet the particular characteristics of the tourists' attitude and perceptions about the UK as a tourist destination. Research that further explores the composition and impact of communication flow between the UK and other countries might elicit some useful lessons that can be applied in marketing and branding UK tourism destinations.

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